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200,000 Out Of Work in Hungary During 1957

BUDAPEST, Monday (Reuter). — An official forecast that 200,000 Hungarians would be out of work in 1957 cast a gloomy shadow as Budapest citizens trudged home through deep snow and slush after a final round of Christmas shopping.

The Socialist Workers (Communist) Party newspaper "Nepszabadsag" predicted this unemployment in a 32-page Christmas number.

The basic reason is the coal shortage which is preventing a resumption of production in the country's factories and which has already forced a number of plants to shut down until January 2, leaving scores of thousands idle.

The newspaper said that the mining industry, whose former manpower strength of 84,000 had been cut by more than half, would probably produce only 14 million tons of coal in 1957 instead of the planned 24 million tons.

Back to the Land

Government measures to meet the crisis include transferring scores of thousands of industrial workers back to the land from which they had been recruited for factories in previous years.

Already 10,000 have returned to agriculture. Altogether, about 400,000 farm workers were transferred to industry "in the period of over-zealous industrialization," the newspaper said.

It conceded that, although the exodus of refugees from Hungary to the West was "painful," it had eased the unemployment problem to a certain extent.

The most difficult problem would be to find new jobs for unemployed white-collar workers, probably an insoluble problem for many for a considerable time.

Mr. K.P.S. Menon, Indian Ambassador in Moscow, arrived here by air from the Soviet capital this afternoon for a visit lasting about a week, Indian sources said. This is his second visit since the uprising.

Police headquarters announced over Radio Budapest an error in the announcement of the limitation of the Budapest curfew. It said that the curfew order from 21.00 to 05.00 hours each day remained in force. Only for Christmas Eve and Christmas Day has the curfew been reduced from 22.00 to 04.00 hours.

Budapest Soccer XI Visit Called Off

Jerusalem Post Reporter

HAIFA, Monday. — The visit of the Budapest United Soccer XI, scheduled for next month, has been called off by the Israel hosts, the Haifa Maccabi and Tel Aviv Hapoel clubs.

They have informed the Hungarian Football Association that "under present circumstances" and also for technical reasons the Israel clubs are unable to arrange the matches now.

Lags Admitted In Soviet Industry

LONDON, Monday (Reuter). — Advances in heavy industries and comparative failure in some other branches were noted in a resolution adopted tonight by the Central Committee of the Soviet Communist Party.

Moscow Radio said that the meeting, which opened last Thursday, tonight resolved:

"The plenum of the Central Committee notes that, as a result of following Leninist policies and the carrying out of the Twentieth Congress decision, 1956 saw great new successes in the development of socialist industry, first and foremost in heavy industry."

The committee said that "the 1956 plan for the output of industrial production as a whole will be overfulfilled. As compared with 1955, industrial production has risen by about 11 per cent, and that of consumer goods by nine per cent."

Planning Failures

The Committee noted that coal, metal, cement, and timber lagged behind in production and had not fulfilled their planned quotas. Housing was also behind plan. It put the blame for this on "serious failings in planning and unsatisfactory direction by the ministries."

The announcement said that in view of the errors and failures of the State planning bodies which led to non-fulfilment of quotas, the Central Committee demanded that the sixth five-year plan be presented to the Supreme Soviet for consideration and approval within the first six months of 1957.

The plan is to be drawn up on the basis of the Twentieth Party Congress decisions which gave pride of place to heavy industry, the committee said.

The main objective to be borne in mind is that "within the shortest historical period the [illegible]

IL850m. Budget With No New Taxes Tabled

10% All-Round Increase

By DAN BAVLY, Jerusalem Post Reporter

No new taxes are introduced in the IL850m. budget for 1957/58 which was adopted yesterday by the Cabinet and which will be presented to the Knesset by the Minister of Finance next week.

The budget covers the year beginning April 1 next and this is the first to be presented so long in advance.

Although total revenue is expected to be IL80m. more than last year, this increase will be derived mainly from improved methods of collection, higher national income and larger counterpart funds.

The estimated revenue and expenditure show an increase of approximately 10 per cent spread evenly across all items.

In the Development Budget, hardly any allocations have been made for new projects, emphasis being placed on the consolidation of outstanding investments to make them economically productive.

Conservative Plans

Owing to the need to compound the views of all parties in the coalition, and because of uncertainty as to sources of revenue for the Development Budget, the proposals are of a conservative nature.

The budget does not include the special defence levies already imposed in the current year. These will be included in a supplementary defence budget, and it is fairly certain that this will not be less than the current year (IL75m.).

It is understood that it will be some time before debts arising from the Sinai campaign are liquidated.

On the revenue side, the Government expects to collect IL461m., approximately 12 per cent more than this year. The most outstanding change is the IL91m. anticipated from customs dues, IL21m. more than was estimated for this year. The rise is due to increased imports.

Improved income tax collections should bring in IL190m., approximately IL18m. more than the current year's estimates. The expected rise takes into consideration the reductions which passed their first reading yesterday.

Other items of estimated revenue show only minor changes.

Expenditure Estimates

Estimated expenditure in the regular budget totals IL306m., approximately IL37m. more than this year.

Of this sum, IL21m. will cover wage increases and higher prices.

IL9m. is allocated to a general reserve for the absorption of immigrants and IL7m. is for expanding educational services. Another IL16m. is set aside for expansion of other Government services, including health, labour, defence, agriculture, social welfare and foreign representation. The Jewish Agency is providing IL18m. for the expansion of these services.

Savings and retrenchments in various ministries are expected to cut last year's expenses by IL6m.

Post Office revenue is expected to rise by IL4m. to IL33m. Ministry of Transport receipts from harbour and airport dues are estimated to increase by IL2.5m. to IL23m.

Development Budget

The Development Budget is IL325m., only eight per cent larger than this year in contrast to the Regular Budget, which rose by 12 per cent.

Counterpart funds from foreign loans are expected to reach IL86.2m. It is assumed that the first instalment of the Export-Import Bank loan will be approved this year. The item also includes income from the estimated sales of Israel Bonds, which in the current year reached IL33m.

Counterpart funds accruing from the sale of American surplus agricultural products are expected to rise by IL4.5m. to IL76.5m. There is no change in the Reparations counterpart fund; revenue is expected to remain stable at IL72m.

An estimated drop of IL15m., to IL29m., is entered under the heading of Government loans from insurance companies and provident funds. The decrease is explained by the fact that the National Insurance Institute, which this year is to start paying pensions, now has less money for investment.

The Development Budget allocates IL76m. towards the repayment of loans, IL6m. more than the current year, and includes the first payments of the principal of the anticipated Export-Import Bank loan.

There are four noteworthy changes from the present budget in the IL68m. allocated to agriculture. (IL60m. this year). The Jewish Agency will receive IL21m. for the establishment of new settlements, IL16m. more than this year. The Agricultural Bank will be allocated IL7m. for the consolidation of farmers' long-term indebtedness, an increase of IL5m. Another IL4m. has been earmarked to tide cotton growers over the losses suffered from the ravages of the boll weevil, while only IL20m. are to go for irrigation development as against IL21m. in the current year.

Investments in the exploitation of mineral resources will reach IL21m., a rise of IL6m. A loan of IL3m. has been allocated to Israel Mining Industries (Mahtsavei Yisrael) for the development of the copper mines. This should enable them to be productive by the end of 1957. What is hoped to be the final investment in the Dead Sea Potash Works is a proposed IL5.5m. loan. A consolidation loan of IL4m. has been earmarked for the Fertilizers and Chemicals Company. Six other Government development companies — the Phosphate Works, Israel Mining Research, the bromine factory, the Transport Services Company, the Machteshim Company, and Harsit Vehol-Zach — will also benefit from loans totalling IL8m.

The Palestine Electric Corporation will receive a IL[illegible] loan for the purchase and installation of new equipment. It is also expected that it will float another public bond issue during 1957.

Of the IL22m. allocated for transport, IL9m. will be invested in loans for new ships from Reparations funds, IL4.7m. loaned to El Al towards the purchase of Britannias and IL3m. for the purchase of railway equipment from Germany.

The remaining sums will be spent on expanding harbour and railway facilities.

A total of IL54m. has been allocated for the Government's various building activities, IL16m. more than in the current year.

Defence Bill

A special defence item of IL66m. in the regular budget, together with the Defence Levy and Security Loan, will, it is hoped, cover the bulk of defence expenditure.

Payment of interest on loans will be IL42m., an increase of IL5m., and includes dividends on the Security Loan and interest on the anticipated Export-Import Bank loan.

Subsidies on imports are expected to amount to IL27m., approximately IL12m. more than in the current budget. Subsidies on local commodities are estimated at IL[illegible], IL11m. has been proposed as a subsidy to assist exports.

Finance Ministry sources agreed that subsidies were too high, but that their reduction would still take some time and could not be envisaged in the coming year.

(Budget Figures — Page 3)
(Sending Income — Page 6)

36,230 In Civil Service

According to the 1957/58 Budget, the Government intends to employ 36,230 persons during the coming fiscal year, an increase of 36 (0.1 per cent) over the current year. This is 2.25 per cent of the population.

The Ministry of Commerce and Industry heads the list of ministries which have cut their staff and has asked approval for 224 fewer employees — 975. The Ministry of Finance is to lose 108 and will have 5,070.

On the other hand, the Post Office will increase its staff by 121, to 5,649, and the Ministry of Health by 110, to 5,047. Ministry of Justice staff will be augmented by 60 new faces, to total 937.

Mr. Y. Arnon, Director-General of the Ministry of Finance, explained yesterday that, while the reductions in personnel in several ministries did not imply a projected reduction in services but rather higher efficiency, the addition of staff in others was a result of considerably expanded activities.

SYRIAN EX-PRESIDENT PLEADS FOR SON

The former Syrian President, Hashem Atassi, arrived in Damascus from Homs yesterday and immediately went into conference with President Shukri Kuwatly, reportedly to plead for his son, Adnan, who is among the 50 men held by the Syrian police in connection with the [illegible]

SWISS SEIZE MORE HUNGARIAN SPIES

BERNE, Monday (UP). — Swiss police announced today that they have uncovered a second Hungarian Communist espionage ring and have arrested three of its members here.

Existence of this ring was [illegible]

Left Abstains On Income Tax Bill

Mapam and Ahdut Ha'avoda abstained yesterday on the vote to pass the Income Tax Amendments to the Finance Committee, following the reply to the debate by Finance Minister Levi Eshkol.

The vote was 30 to 8, with 13 abstentions. Herut also abstained while the General Zionists and the Communists voted to return the bill to the Government.

Much bitterness was expressed at a meeting of the Mapai Knesset faction last night over the defection of the left-wing Coalition partners. The matter had been thoroughly thrashed out within the Coalition Executive and it was finally understood that all member-parties would support the amendments.

Asked what disciplinary action was contemplated, the chairman of the Executive, Mr. A. Govrin (Mapai) said: "The drawing of conclusions in this matter is the prerogative of the Prime Minister alone."

In a statement following the vote, M. M. Erem (Ahdut Ha'avoda) said that his party had abstained, not because of opposition to the bill as a whole, but because it included a number of serious defects which it could not accept. While in the higher brackets, taxes were being reduced for bachelors and for married men with one or no children, in the lower brackets taxes were being raised for these groups.

The statement of Mr. Y. Riftin (Mapam) was similar to that of Mr. Erem. When he expressed the hope that the Finance Committee would make the "necessary changes," a number of members cried out: "And if not?" The question remained unanswered.

In his reply to the debate, Mr. Eshkol said that the Government had accepted "in principle" the recommendation of the Histadrut that future increases in the cost-of-living allowance be exempted from income tax.

On the subject of a special tax rate for overtime, Mr. Eshkol said he would not object if the Finance Committee exempted really essential overtime from the payment of high tax rates.

Commenting on the proposal for a tax deduction for secondary school fees, Mr. Eshkol noted that the new budget includes an appropriation of IL2.5m. for aid to low-income families with children attending secondary schools.

The Knesset also extended for one year the Defence Regulations authorizing the Government to control foreign currency transactions. The General Zionists, Herut and the Communists abstained.

Devaluation Not Planned — Eshkol

Neither the Government nor the Finance Ministry has any plan to devaluate the Israel Pound, Finance Minister Levi Eshkol told the Knesset yesterday. Mr. Eshkol was replying to a question submitted by Mr. H. Rubin (Mapam).

To another question by Mr. Rubin, submitted on October 24, Mr. Eshkol said that the price of IL1,490 for locally-assembled Vespa scooters includes taxes of IL791 (IL193.370 in customs duty and IL597.630 in purchase tax). The price excluding taxes is IL699. This includes a profit of 12.5 per cent to the manufacturer and 10 per cent to the distributor.

$60m. Reparations In Bonn's Budget

BONN, Monday (INA). — The Federal Government's 1957/58 budget provides $60m. for Israel Reparations, the same for the last few years.

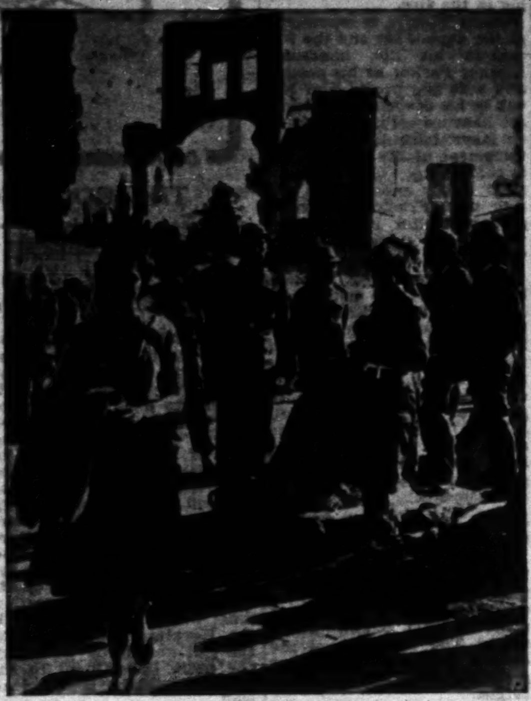
There was no change in the $36m. internal restitution allocation; the amount for rabbinical pensions dipped slightly, while for indemnification purposes, a sizable increase of $[illegible]m. is contemplated.

For disbursements under the Federal Indemnification Law for individual victims of Nazism, Jews as well as non-Jews, the figure has increased from $90m. to $142m.

WEST EUROPE TO GET MORE U.S. OIL

WASHINGTON, Monday (Reuter). — Secretary of Interior Frederick Seaton last night reported an improved outlook for petroleum deliveries next month to Western Europe and the Mediterranean area.

He based his statement on estimates of the Middle East Emergency Committee, composed of representatives of 15 U.S. companies engaged in foreign trade, which [illegible] Western Europe and Mediterranean [illegible]



Banned from celebrating Christmas in Bethlehem by the Jordanians on "suspicion of being Jewish," Miss Mary Catherine Bateson, 17, daughter of Dr. Margaret Mead, the American anthropologist, is shown here returning to Israel at Mandelbaum Gate. (See Stories — P. 3).

Photo by Schlesinger

Nazareth Celebrates Christmas

By CHRIS ELIOU

NAZARETH, Monday. — Nazareth had a festive air all day today. Restaurants and souvenir shops opened in the early hours of the day, and were ready for guests coming for Christmas Eve and midnight mass tonight. Christian children in their holiday best went through the two main streets carrying branches of pine trees to decorate their Christmas trees. Earlier today, the Military Governor, by special request from restaurants and souvenir shopkeepers, issued an order abolishing the need for permits to visit the town during the two days of the feast.

The few Nazareth residents who were not permitted by Jordan authorities to cross the lines to Bethlehem this morning, are also joining the 6,000 Roman Catholics at tonight's midnight mass. Only 500 citizens from Nazareth crossed the lines this morning in Jerusalem. The pilgrims left by special buses at 3.30 a.m. Transport was provided by Mr. Theodor Thon, manager of the Bible Land Tour Committee.

All Government schools, including the Municipality's only school, were open all day, but Roman Catholic students and teachers were excused. The ten Roman Catholic schools closed a few days ago.

Both Military Governors (from Nazareth and Galilee) as well as Mayor Amin Jarjura, a Greek Orthodox, Christian dignitaries and members of the Military Governor's staff are expected to attend Holy Mass at midnight. The Moslem ex-Mayor Yussef Fahum is host to a dinner party.

The midnight mass is being held at the Church of St. Joseph. Father Peter Eichelsberger will conduct the solemn mass. Another holy mass will be held at the Greek Catholic church of Annunciation at 11.30 p.m. where Mgr. George Hakim will officiate. The mass is to be broadcast.

Other Christmas carol services will be held at Anglican and Baptist churches.

The city was quiet and peaceful in the early hours of the afternoon except for blaring loudspeakers from all main restaurants. The cobbled lanes were shining from amber lights from decorated trees. Cold weather enveloped the city.

Although business was slack during the afternoon, shopkeepers were still hopeful for late customers arriving for the mass. Restaurants and several souvenir shops are staying open late into the night. Taxi drivers appeared to be reaping a golden harvest working *sherut* services on the Haifa-Nazareth route.

A group of fourteen French Marines arrived here for a short visit. The Marines arrived in two seven-seater cars. Each group had enough time to visit a church and buy a few souvenirs.

One of the Marines, when asked what he thought of Nazareth, said that coming from a Metropolis he found Nazareth formidable. Another said that listening to the church bells here made him feel at home on Christmas Eve. The Marines were young men aged 20 to 22.

CURFEW EASED IN GAZA

Jerusalem Post Reporter

Curfew regulations in the Gaza Strip were relaxed last night to enable Christian residents to attend Midnight Mass. Streets were fully lighted, and the town wore a festive air. About 2,000 Christian families live in Gaza alone. The curfew relaxations will continue tonight.

An Israel Army Orchestra gave a concert at the Izmir Cinema in Gaza last night in the presence of the Military Governor, Sgan-Aluf Haim Gaon. The town's notables were invited, including the Deputy-Mayor and two cousins of the ex-Mufti of Jerusalem. When Hatikva was played the audience stood to attention.

Tomorrow, the Near East Christian Council, together with representatives of the Ministry for Social Welfare, will distribute money among needy Christian families in the Strip. On Thursday, CARE will again start distributing food parcels.

U.K. Finds Syrian Junta Paid by USSR

NEW YORK, Monday (INA). — The British Government has evidence that the Soviet Union is subsidising the leading members of the military junta that now wields the real power in Syria, according to a report by Drew Middleton in the "New York Times" today.

Writing from London, Mr. Middleton said the British also have information, which they declare to be accurate, concerning a Soviet plan for increased shipment of arms to Syria for later export to Egypt.

Secretary of State Dulles was told of this plan by British officials at the recent N.A.T.O. meeting in Paris, and his comment, according to an authoritative source, was [illegible]

The British authorities contended that, by establishing their power in Egypt and Syria, the Russians have turned N.A.T.O.'s right flank. They believe that the situation in the Eastern Mediterranean has now progressed beyond the point at which Abdul Nasser or any other head of government in that area, except Premier Nuri Said of Iraq, can be counted upon as either an ally of the West or even as a neutral in another crisis.

London's concern is centred [illegible]

Boy Kills Brother In Nazareth

Jerusalem Post Reporter

NAZARETH, Monday. — A 19-year-old Arab Catholic boy, Gabi Sami-Touma, was fatally stabbed by his brother Raful, 16, tonight. A fight between the brothers broke out after a heated argument while they were working in their garden.

The younger boy did not want to help the older one. During the fight, the elder brother caught the younger by the neck, and the younger boy stabbed him on the left side of the chest. The victim was taken to the English Hospital here where he died five minutes after his arrival. The body will be taken to Rambam Hospital in Haifa.

Raful came to the hospital to enquire after his brother's condition. He was arrested later on. There were scratches on his neck. He is said to have confessed, and accompanied the police to the place of the tragedy.

TEN KILLED BY ALGERIAN REBELS

ALGIERS, Monday (Reuter). — Insurgents killed 10 persons, wounded 20, and kidnapped 12 during a weekend of attacks.

The Central Post Office here was seriously damaged yesterday by a time bomb. There were no casualties as the entire staff were taking their Sunday holiday.

One thousand eight hundred French soldiers who formed [illegible]

'Disastrous Results' Will Follow on Raids—Eytan

'Jordan Also Responsible'

"Disastrous results for security in the Middle East" will follow Egypt's policy of "deliberately flouting" the U.N. resolution calling on countries in the region "to desist from raids into neighbouring territory," the Foreign Ministry declared yesterday.

In a Press statement, the Director-General, Dr. Walter Eytan, declared:

"Egyptian *fedayeen* attacks against Israel have been renewed, as Cairo Radio boasted they would be. The latest in the series of incidents was the blowing up of the clinic at Yokneam village. It was only by a miracle that doctors, nurses and patients were not killed."

"These *fedayeen* raiders come prowling into Israel under cover of night. Each group operates as part of the network controlled from Cairo. Only a few days ago they carried out the brutal murder at Tel Mond."

Night Raiders

"A heavy responsibility also rests on the Government of Jordan, from whose territory these nocturnal raiders carry out their attacks."

"The U.N. General Assembly's resolution of November 2 called upon all countries 'to desist from raids into neighbouring territory.' Egypt is deliberately flouting this resolution; it is her set purpose to keep the flames of armed conflict alight."

"This policy must have disastrous results for security in the Middle East. Israel still awaits assurances from the U.N. against the renewal of Egyptian belligerency by land and sea."

Cairo Boast

Dr. Eytan recalled that on December 2 Cairo Radio boasted that "*fedayeen* headquarters has decided to carry out large-scale actions in Israel during the coming winter season."

The Israel delegation at the U.N. will raise the matter of the *Fedayeen* attacks once again and it will also be raised through diplomatic channels.

Mr. Edward Lawson, the U.S. Ambassador, saw Mr Ben-Gurion at the latter's request on Saturday night and matters in connection with the *Fedayeen* attacks and the general security situation were discussed.

Fedayeen Strike Near Beersheba

Jerusalem Post Reporter

BEERSHEBA, Monday. — *Fedayeen* gangs working from Jordan last night blew up a disused six-inch water pipe about 200 metres within the confines of Moshav Omer, midway between Beersheba and the Jordan border. About four metres of the pipe were destroyed.

Police and Army trackers this morning revealed inside a culvert about one-and-a-half kilometres from the moshav, five bricks of TNT and an American time detonator which had not exploded. Tracks of four persons led towards the Jordan border, eight kilometres east of Omer.

The Army spokesman said that two of the gang performed the sabotage while the others provided them with cover.

This is the third *fedayeen* attack in the vicinity since the Sinai campaign. Previously they blew up a culvert near the village and destroyed a building belonging to the Military Government. Nobody was hurt in any of these attacks.

Red Cross Official For Sinai Monastery

Dr. Louis Guillard, Red Cross representative in Israel, is flying to the monastery of St Catherina in Sinai today to investigate the conditions of the monks and the library there.

There have been rumours spread by Church dignitaries in some of the Arab states that reflect on the conduct of Israel at the monastery and Dr. Guillard's visit there is therefore welcomed by the Israel authorities in consequence.

Recently, UNESCO circles in Cairo asked through the UNTSO in Israel for rumours in connection with the monastery to be investigated.

The Israel Embassy in Paris contacted UNESCO Headquarters there and asked them to arrange for a permanent representative to be stationed at the monastery. This request was not complied with. Instead it was suggested that a UN representative would only move in after UNEF had occupied the area.

This request was rejected by Israel, writes our Diplomatic Correspondent, for obvious reasons. Any opinion on what happened after Israel was no longer there to check on the conduct of those who followed her in Sinai or of what happened in the monastery itself in the interim, would not be able to give the lies to the present rumours.

2,000 JEWS LEFT EGYPT SO FAR

LYDDA AIRPORT, Monday. — Nearly 2,000 expelled Jews have so far managed to leave Egypt according to Mr. H. Cidor, Director of the Foreign Ministry's International Organizations Division. He arrived today by Swissair after a two-week tour of Switzerland and France.

Mr. Cidor was of the opinion that over 70 per cent of the expellees would eventually come here.

It is understood that Mr. Cidor's mission was connected with the care of Israel prisoners in Egyptian hands.

Nehru, Eden Discuss Six Issues

LONDON, Monday (Reuter). — The Prime Ministers of Britain and India today discussed the Middle East and Hungarian crises over a Christmas eve meal at Sir Anthony Eden's mansion of Chequers.

Mr. Jawaharlal Nehru arrived by air this morning from his official visits to President Eisenhower and to the Canadian Government. Because his plane, the U.S. President's personal aircraft, was late, Mr. Nehru confined himself to a Christmas message when he talked to reporters at London Airport.

He said that at this season one should be induced "to think in terms of peace and settling our problems in a peaceful way," adding "I think there are such indications and signs in spite of all the difficulties we have to face."

The Eden-Nehru talks today were free of formality and rigid agenda but gave Sir Anthony a unique opportunity to hear at first hand something of the U.S. President's latest thinking on the various international issues since the Suez and Hungarian crises developed.

Political sources said this was the range of the talks:

1. The Middle East situation in the light of the complete withdrawal of the Anglo-French forces from Port Said.
2. The Hungarian crisis seen in the context of the Kadar Government's persistent refusal to admit U.N. observers into the country.
3. The involved problem of world disarmament.
4. The political and economic impact of Britain's armed intervention in Egypt on the countries of the Commonwealth, many of which, including India, were deeply disturbed by the British action.
5. The Far Eastern situation with reference to the problem of Chinese representation in the U.N., Formosa, and the position in divided Vietnam, Laos and [illegible]

[illegible] to confer with West German Chancellor Adenauer at Dusseldorf airport.

Soon after his return to the Indian capital he will continue talks there with Mr. Chou en-Lai, the Chinese Communist Prime Minister. In January, he will have conversations with Marshal Georgi Zhukov, Soviet Defence Minister who is visiting India for her Republic Day celebrations on January 26.

An Indian High Commission spokesman told reporters today Mr. Nehru planned to be in India by December 28 and would not be stopping in Cairo for talks with Abdul Nasser.

He is to spend Christmas Day with Earl Mountbatten, First Sea Lord, who was the last Viceroy of India.

Chou Affirms Amity With Pakistan

KARACHI, Monday (Reuter). — Mr. Chou En-lai and Mr. H. S. Suhrawardy, Premiers of China and Pakistan, today signed a statement renewing pledges of friendship between the two countries.

At a press conference, Mr. Chou said that during his talks with Asian leaders, they showed that they had common views on some aspects of the Hungarian situation and different views on other aspects. He said that China would not agree to any preconditions attached to a meeting between him and Secretary of State Dulles of the U.S.

In Warsaw, [illegible]

Dayan Meeting Burns Tomorrow

Jerusalem Post Military Reporter

TEL AVIV, Monday.—The Chief of Staff, Rav-Aluf Moshe Dayan, is to meet on Wednesday with Major-General E. L. M. Burns, U.N.E.F. Commander, to discuss the disposition of U.N. and Israel troops in the Sinai desert. The meeting is their third this month.

According to the U.N. Secretary-General yesterday, the first phase of Israel's withdrawal should be completed by January 10.

News from Port Said that Egyptian troops entered the town as UNEF pulled out has been received with much misgiving here. If the role of UNEF is confined to transferring control from the British and French troops to the Egyptians in the Canal Zone, the implication is that UNEF will hand over Sinai to Egypt as soon as Israel completes its evacuation.

Then, by U.N. intervention the earlier intolerable situation on the Egyptian border will have been restored.

5,500 Houses Wrecked In Port Said Fighting

CAIRO, Monday (Reuter). — The Government said today a survey by the civil authorities of damage done during military operations in Port Said indicated that 5,500 buildings were completely destroyed and another 5,500 were damaged.

The Egyptians at Port Said have demolished the statue of Ferdinand de Lesseps, the French builder of the Suez Canal, which stands at the entrance to the harbour, Cairo Radio reported tonight. It said that "in its place will rise a new statue of liberty."

A spokesman at the U.N. Headquarters in New York said that no official predictions could be made concerning when full-scale clearance work on the Suez Canal would begin. It was generally believed, however, that work would start tomorrow.

Nasser Seizes Five More High Officers

An additional five senior Egyptian officers who returned from the Port Said front have been detained by the Cairo junta, according to Baghdad Radio yesterday.

Some of the arrested officers had petitioned Abdul Nasser to end martial law in Egypt.

The radio reported that disputes are increasing among Abdul Nasser, Minister of Interior Zakaria Muhi e-Din, the new Minister for Port Said, Abdul Latif Baghdadi, and the War Minister and Chief of Staff Gen. Abdul Hakim Amer. It said that the Egyptian dictator has stayed at home the last few days.

Nuri Hits Nasser's Meddling in Iraq

Premier Nuri Said told foreign correspondents in Baghdad on Sunday night that Abdul Nasser would do better not to meddle in Iraq's internal affairs.

Declaring that Iraq and "not Egypt and her satellites" would decide what is good for her, Nuri said that the attempt by "this dictator" to interfere with Iraqi sovereignty and to dominate Iraq was "irresponsible and very dangerous."

When asked whether he believed that the U.S. would become a full member of the Baghdad Pact, Nuri did not give a direct answer. He stated that he talked about it with Secretary of State Dulles and Mr. Harold Stassen and could not understand why the U.S. did not join the pact. *(INA)*

U.S. NOT JOINING BAGHDAD PACT NOW

WASHINGTON, Monday (UP). — Officials confirmed today that the U.S. has decided against joining the Baghdad Pact now. They said considerations in the general Near East area made such a step inopportune at present.

However, they said, the U.S. will continue to give its full backing to the pact members, Turkey, Iraq, Iran and Pakistan.

'HATE BRITAIN' E-SADAT SAYS

Col. Anwar e-Sadat, former Egyptian Minister of State, said yesterday in the Cairo junta's mouthpiece, "Al Goumhouriya," that the Egyptians will "take a solemn oath that we will continue to hate Britain and despise France."

"We will instil in the hearts of coming generations a hatred for Britain, which conspired against Egypt for 75 [illegible]

Social & Personal

The Mayor of Tel Aviv, Mr. H. Levanon, held a reception yesterday on the occasion of the Israel Philharmonic Orchestra's 20th year celebrations. Among those present were Mr. Sergiu Celibidache, the guest conductor, and members of the orchestra.

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Professor S. D. Goitein, of the Hebrew University, will lecture on "A Way to Peace between Europe, Israel and the Arab World" under the auspices of the Israel Oriental Society-Hebrew University, tomorrow, Wednesday, December 26, 1956, at 8.30 at the Keren Hakayemet Hall, 11 Rehov Shapira, Tel Aviv.

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Guests at the Galei Kinneret Hotel in Tiberias over the week-end included the Argentine Ambassador, Dr. G. Topolevsky, the Minister of Mexico and Mrs. J. Ortiz Hernan, and the Chairman of the French National Assembly's Defence Committee, M. Pierre Montel, and Mme. Montel.

•

BIRTH

Dr. and Mrs. L. Stark announce the birth of their second grandchild, Ainat — daughter of Mr. and Mrs. Yeshua, and sister to Tamar, Vienna, December 21.

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MEMORIAL MEETING
FRANK ROSENZWEIG

The 70th birthday of Franz Rosenzweig, the great Jewish thinker who died in Frankfurt in 1929, was commemorated at a meeting of the Central European Settlers' Organisation at the Beit Halutzot in Jerusalem on Sunday evening.

The crowded audience was addressed by Professor Martin Buber, who spoke on Rosenzweig's new approach to philosophical thought and the concepts of truth and faith, as revealed in his own life. Professor Hugo Bergmann gave a searching analysis of Rosenzweig's theology of Judaism and his views on the significance of Christology.

Mrs. Miriam Ben Gavriel read three hymns by Yehuda Halevi in Rosenzweig's German translation, together with his profound interpretation of the poems.

E.M.

EDITH FRANKLIN

Edith Franklin, who died on December 22 at Houston, Texas, was an unusual person. Her frail appearance belied the extraordinary vitality with which she was endowed.

She loved children, especially the sick, the poor and the underprivileged, and this love was wholeheartedly reciprocated. "Auntie Edith," as she became known in Jerusalem, used to visit them regularly in hospital, stage puppet shows which she herself wrote, and distribute toys which she made with her own hands.

Israel, where she had made so many friends, was one of her great loves, and she had hoped to make it her permanent home.

Her friends, who mourn the disappearance of a fine and courageous woman, will derive some consolation in the knowledge that the end came as a *friend*, peaceful and painless, in the midst of her family she loved so much.

J.A.B

Coles' Offence Was Not 'Criminal'

A letter stating that "investigations into the shooting incident which occurred on December 1, 1956, had not disclosed evidence of the commission of a criminal offence on the part of Dr. Flournoy A. Coles, Jr." has been sent to the U.S. Embassy by the Head of the Criminal Investigation Department of the Israel Police.

This statement follows an incident which occurred after Dr. Coles had lent his car to an Israel friend of his, Mr. E. Matalon. Mr. Matalon was driving the car in company with his young son.

When he left the vehicle for a few moments, the little boy went back to the open car and took the gun and allegedly shot a passer-by.

The revolver belonged to Dr. Coles who had received a special licence since, engaged as he was as an Economic Advisor in the U.S. Operations Mission, he had to travel a good deal around the country, including remote areas.

The present court proceedings against Dr. Coles are civil in nature and are based on the fact that he is the owner of the gun.

Y. Wagman Making Debut as Conductor

Jerusalem Post Reporter

TEL AVIV, Monday. — Mr. Yahli Wagman, the concert pianist, is to make his debut as conductor of a kibbutz orchestra before Tel Aviv music lovers this Thursday, it was announced at a press conference here.

Mr. Wagman, a graduate of the Julliard School of Music in New York, is to conduct the Inter-Kibbutz Orchestra's performance at the Ohel Shem Hall in a programme of works by Vivaldi, Mozart and Haydn. The concert will also include the first performance of a work by Dan Perl, member of Kibbutz Beit Zera.

The Orchestra, sponsored by the Kibbutz Hameuhad and the Kibbutz Artzi federations, is composed of kibbutz amateurs and includes as cellist Paul Tortelier's sister, a member of Kibbutz Ma'barot.

The Orchestra's spokesman, Mr. E. Ben-Cohen, described the ensemble's special function as the bringing of good music to outlying kibbutzim.

Mr. Wagman told the Press that in abandoning the city to join Kibbutz Shamir, and the concert piano to take up the conductor's baton, he was fulfilling a 15-year-old dream.

LAW REPORT

The Jerusalem Post
December 25, 1956

In the Supreme Court Sitting as Court Of Civil Appeals

Before the Deputy President (Justice Cheshin) Justices Sussman and Witkon

Ramat Gan Municipality, Appellant, v. Pardess Yannai Ltd., Respondents. (C.A.143-51)

Ruling on Res Judicata

The Supreme Court allowed an appeal against a judgment of the Tel Aviv District Court delivered on February 17, 1952 (C.C. 235-48).

Johannes Ort, a German resident of Sarona, was the registered owner of a plot of land. On the eve of the outbreak of World War II, he signed a general power of attorney appointing Pesah Feingarsht his attorney. In this capacity the latter, two days later, entered into a transaction with his brother, Eliahu, undertaking to sell him Ort's plot of land. After the outbreak of the war Ort was interned as an enemy alien and was later deported to Australia, where he has remained until this day.

In September, 1947, Eliahu Feingarsht asked the Tel Aviv Land Court to order specific performance of the contract of sale between himself and Ort, represented by his brother, Pesah. The brothers eventually reached a compromise and the Land Court delivered a judgment by consent (L.C. 17/47) in accordance with which Eliahu was recognized as the legal owner of the plot of land and the Registrar of Lands was instructed to rectify the register, substituting Eliahu Feingarsht's name for that of Ort. This was duly done.

A short while later the Pardess Yannai company was formed for the purpose of acquiring this land. In February, 1948, the plot was registered in the name of the company, as was a mortgage of IL6,000 in favour of the estate of the late Max Cass.

Meanwhile, in November, 1947, the Custodian of Enemy Property had declared all the property of Johannes Ort to be vested in him. The plot in question was subsequently acquired, in May, 1948, by the Ramat Gan Local Council (the predecessor of the Municipality) under the Land (Acquisition for Public Purposes) Ordinance, 1943, the Custodian having been paid compensation to the value of the land. This was done despite the fact that the Local Council was aware that the land had been registered in the name of the company in February, 1948.

On May 10, 1948, the Local Council was registered as the owner of the land, the registration of the company and that of the mortgage in favour of the estate of Max Cass having been annulled. The administrator of the latter estate then sued Eliahu Feingarsht, who had borrowed the money; the Pardess Yanai company, which had taken over the mortgage; and the Local Council, which had acquired the mortgaged land, for the return of the IL6,000. Judgment was given against all three defendants jointly (in C.C. 31/49) and the Local Council paid the IL6,000.

The Pardess Yanai company then asked the Tel Aviv District Court to estimate the compensation which the Local Council had to pay them for the plot under Section 9 of the Land (Acquisition for Public Purposes) Ordinance. The Council objected on the grounds that it had already paid compensation and that the company had had no legal title to the plot, since Feingarsht had obtained the registration by fraud. Their objection was dismissed, the District Court fixing the compensation to be paid to the company at IL49,000. The Local Council appealed against this decision.

Mr. Harari and Mr. Toister appeared for the appellant and Mr. Caspi for the respondent.

Judgment

Justice Sussman, in delivering the judgment of the Supreme Court, set out the facts of the case in full and then said that he would ignore the transfer of the land from Eliahu Feingarsht to the company, since the latter's Counsel had agreed that this had not been a *bona fide* purchase, and would consider the application for compensation as having come from Eliahu Feingarsht himself.

The question to be considered, he said, was whether Eliahu Feingarsht had any legal title to the plot. The first problem to be tackled was whether the judgment by consent in the Land Court (L.C. 17/47), barred the appellant from claiming that Ort and not Feingarsht was the legal owner of the plot, as the District had held, in C.C. 31/49.

Justice Sussman then discussed the question as to whether this decision in C.C. 31/49 was *res judicata* in view of the fact that in that case the appellant and respondent had both been defendants whereas in the present case they are adversaries. The rule is, he said, that when there is a conflict of interests between the defendants, they cannot justly be debarred from further litigation between themselves unless they actually used the previous case (in which they had been defendants) for the settlement of the dispute between themselves, the test of this being the content of their statements of defence in which each defined his attitude towards all the other parties concerned.

In applying this rule to C.C. 31/49, he continued, it is apparent from the judgment that the defendants did not attack one another but that the case was strictly one between the plaintiff and each of the defendants in turn, the quarrel between the appellant and the respondent (in the present appeal) not having been considered at all. Therefore any decision in C.C. 31/49 is not *res judicata* insofar as the appellant in the present case is concerned, and the latter is therefore not barred from attacking the judgment in L.C. 17/47 only because the District Court held, in C.C. 31/49, that the decision therein precludes further litigation on the question of Feingarsht's ownership of the plot.

The next question to be considered, Justice Sussman said, is whether L.C. 17/47 as such is *res judicata*. Since the parties to it were Ort (represented by Pesah Feingarsht) and Eliahu Feingarsht and the appellant did not figure in it at all, the judgment could only bind the appellant if it were a judgment *in rem*. (Binding against the whole world.) He then discussed the properties of a judgment *in rem*, dismissing the appellant's counsel's argument that a judgment by consent could not *per se* be *in rem* and holding that a judgment in the Land Court is not a judgment *in rem*, but merely binds the parties to the litigation. The judgment in C.C. 17/47, in which Feingarsht was held to be the owner of the plot was, therefore, *res judicata* only insofar as the parties in that case were concerned.

However, Justice Sussman continued, although C.C.17/47 is not *res judicata* as far as the appellant is concerned, nevertheless, in the absence of a deed of sale, where a court renders a judgment which determines that one of the parties has a superior title to certain property than the other party, this judgment has the effect of an involuntary transfer from the unsuccessful party to the other and is valid as against a third person.

Having decided that L.C.17/47 could be used against the appellant as though it were a deed of sale, Justice Sussman went on to consider whether the latter could attack it collaterally (in proceedings concerning compensation for the plot) or whether they had to file a special action to have it set aside.

Judgment by Deception

A judgment gained by deception — as the appellant claimed that the judgment in L.C.17/47 had been gained — is, he said, voidable at the election of the person deceived, and cannot be voided incidentally, since that would result in the legal consequences of the judgment's being ignored whereas the judgment itself remained extant. Therefore, the aggrieved party who chooses to void a judgment gained by deception, must apply directly, and for that very purpose, to the court which delivered the judgment. However, he continued, this rule only applies when the aggrieved person was a party to the proceedings or when the judgment is a judgment *in rem*, in which latter case the aggrieved person is tantamount to a party.

In the present case, Justice Sussman said, he had already held that the judgment in L.C.17/47 was not *in rem*, but that, as a substitute for a deed of sale, it was valid as against the appellant. Therefore, just as the latter could collaterally attack a fraudulent deed of sale, so could they collaterally attack Feingarsht's use, to their detriment, of a judgment obtained by fraud, without attacking the validity of the judgment as such.

In addition, a judgment *in personam* based on fraud, which affects the rights of a third party, — as L.C.17/47 affects the rights of the appellant — may be collaterally attacked by the third party who cannot, in any case, bring a special action to have it voided since he was not a party to the original action.

Having decided, therefore, that the appellant could have attacked the validity of Feingarsht's title to the plot in the original action for compensation between them and the respondents, Justice Sussman then went on to consider whether the title had, in fact, been fraudulently obtained.

He then discussed the legality of the transaction between the brothers Feingarsht, pointing out that the Trading with the Enemy (Custodian) Rules, 1939, forbid any registration of property of an enemy alien without the consent of the Custodian. In order to evade this rule, he said, the brothers Feingarsht had clothed the transfer from Ort to Feingarsht in a cloak of the rectification of the register. However, the transaction had really been a disposition, the brothers having concealed from the court the fact that the property of an enemy alien was being disposed of, and thus received a judgment which served as an instrument for carrying out the illegal purpose of registering a disposition without the consent of the Custodian.

The judgment was therefore contaminated by the fraud, and the appellant, as a "stranger," could have attacked the consequences of it collaterally, without in any way attacking the validity of the judgment as such. Since Feingarsht had wished to use the judgment for illegal purposes, Justice Sussman continued, the court could not lend its assistance towards the furthering of such purpose and considered the registration as null and void *ab initio*. Therefore, Ort remained the legal owner of the plot and, by paying compensation to the Custodian, who represented Ort, the appellant had settled his debt and owed no further compensation to the respondents.

Appeal allowed. Respondent ordered to pay costs in the District Court plus IL200 costs in the appeal.

Judgment given on December 12, 1956.

> *"For unto us a child is born, unto us a son is given: And the government shall be upon his shoulder: And his name shall be called Wonderful, Counsellor, The Mighty God, The Everlasting Father, the Prince of Peace. Of the increase of his government and peace there shall be no end, upon the throne of David, and upon his kingdom, to order it, and to establish it with judgment and with justice from henceforth even for ever. The zeal of the Lord of Hosts will perform this."*
>
> Isaiah 9:6,7

At the Cinema

"THE Man with the Golden Arm" (Orion, Tel Aviv) the much-discussed film dealing with drug addiction, is very well acted and very well produced. So sordid and depressing is the underworld of which it treats that the spectator is left with a harsh and bitter taste in his mouth, which is doubtless the effect the producers wanted to obtain. It will certainly discourage any viewer from indulging in the vice.

Frank Sinatra is convincing as the dope-taker and the women in his life, handsome Eleanor Parker as his possessive wife and pretty Kim Novak as his devoted sweetheart, are likewise credible. There is an inevitability about the development of the story which is compelling; only the implied happy ending does not ring true. Frankie is clearly predestined for misfortune.

Thriller of Prevention

"TWENTY-THREE Paces to Baker Street" (Allenby, Tel Aviv) has nothing to do with Sherlock Holmes but it is nonetheless a good thriller, in spite of a number of implausibilities and an unexpected ending. A conversation overheard in a public-house gives a blind writer (Van Johnson) a lead to a crime about to be committed. How he goes about preventing it gives rise to some hair-raising moments.

Z.O.A. House Film Club

THE Z.O.A. House Film Club started its season last Wednesday with Rene Clair's "Le Million," a film which despite its age (it was made in 1931) is still worth seeing. The burlesque of the idiocies of Grand Opera is good for any number of laughs.

So heavy was the demand for membership that the Club is now running an extra session — one performance at 7 p.m. and the second at 9.15 p.m. — on Wednesday nights. Eisenstein's "Potemkin," the "Blue Angel" with Marlene Dietrich and Emil Jannings and "The Navigator" with Buster Keaton are among the films which will be shown.

S.W.

ON THE AIR

FIRST PROGRAMME
522, 240, 33.3 & 43.9 M.

News: Hebrew: 6.25, 7.00 a.m. 1.30, 5.00, 7.00, 9.00, 11.00 p.m. English News: 1.45 p.m. French: 2.00 p.m. Arabic Programme (including News): 8.00 a.m. 2.15 and 6.00 p.m.

6.30 a.m. Service. 6.37 Exercises. 6.47 Musical Clock (R). 7.15 Melodies (R). 9.00 Close Down.

11.30 New Year's Ceremony at the Y.M.C.A. 12.00 Music at Noon — Edna Savage (Vocalist). 12.30 Music for Two Pianos. 12.50 Housewife's Choice. 3.30 Programme for Christmas. 4.00 Light music requests. 4.40 Vocal Recital by Esther Nadiv (Mezzo-Soprano). Works by Handel, Mendelssohn & Dvorak. 5.05 Light Music. 5.10 Tora Lesson by Dr. N. Leibowitz. 5.30 Youth Corner. 7.15 We Present Tonight. 7.18 Ron-Ami. 7.35 Legal Advice Programme by Daniel Eilon. 7.45 "Looking Down from the Carmel." 8.10 Noah's Ark. 8.45 Talk by Moshe Pearlman. 8.55 Bible Reading — Shmuel B' — Cap. 14. 9.15 Concert by the Haifa Orchestra, with the Haifa Chamber Choir, conducted by Moshe Badmor; Soloist; Avraham Melamed (Violin); Bach: "Actus Tragicus," Cantata No. 106 for Soli, Chorus & Orchestra (First Performance in Israel); Andre Hajos: Violin Concerto (First Performance in Israel); Beethoven; Music to Goethe's "Egmont." 10.50 Interlude. 11.10 The Week in U.N. 11.25 Interlude. 12.00 Close Down.

SECOND PROGRAMME
407, 469, 225, 48.9 & 33.3 M.

English News: 10.00 p.m.

IMMIGRANTS' HOUR: 1.45 "From Dan to Eilat." 2.15 Close Down.

5.30 Programme for Yemenites. 5.45 Hebrew Lesson for beginners. 6.00 Light Music. 7.00 Yiddish. 7.30 Ladino. 8.00 News in Easy Hebrew. 8.15 Turkish. 8.30 Rumanian. 8.45 Hungarian. 9.00 Interval. 9.30 French. 10.30 Close Down.

KOL ZION LAGOLA (25.3 M.): Programme to South Africa: 6.25 News. 6.35 "From the Federation." 6.40 "Making notes." 7.08 News in Yiddish.

Programme to U. K.: 11.30 News. 11.40 "On the Spot." 11.45 "Music in Our Land." 12.00 Easy Hebrew conversation. 12.15 "From East to West."

ARMY PROGRAMME (44.6, 216, 225 & 228 M.): 6.00 Opening. 6.02 Songs. 6.30 "The Orchestra." 7.00 News. 7.10 Intermezzo. 7.30 "Call Up" — by Galei Zahal Reporters. 8.00 "The Soldier as a Civilian." 8.10 Noah's Ark. 8.45 Songs from films. 9.00 News. 9.15 Dance Music. 10.00 Close Down.

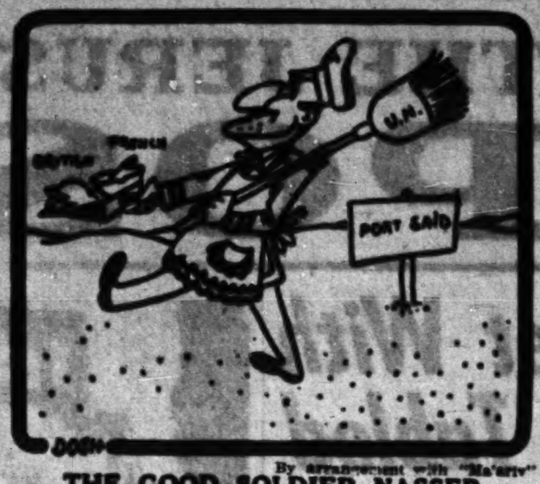
B. B. C. HEBREW BROADCASTS: (16.79, 19.42, 16.86 and 21.15 M.): 6.30-7.00 p.m. News. News Talk. Jewish Commentary. The Edinburgh Festival.

A SHORTAGE OF water will be felt in Jerusalem owing to repairs to the pipes, the Municipality has announced. The public is asked to economize in the use of water in the coming 24 hours.

Chamber Orchestra

Conductor:
MICHAEL TAUBE
Soloist:
PNINA SALZMAN
(piano)

Subscription Concert No. 3
Tomorrow, Dec. 26, 8 p.m.
Beth Haam, Ramat Gan.



By arrangement with "Ma'ariv"

THE GOOD SOLDIER NASSER

YESTERDAY'S PRESS

On the Brink Again

Lamerhav (Ahdut Ha'avoda) writes that Israel must not permit the State Department to continue weaving its evil designs to hand over our security to the tender mercies of the Cairo dictator in the hope of winning him back to the West. Washington must be given to understand that we will defend our security and existence even if powerful states continue to distort the principles of the U.N. The enemy must not be able to recover his springboards for attack against Israel. Operation Sinai was carried out to break the Egyptian stronghold and the plot now being woven by the State Department to restore it must be scotched as well.

Bless the United States, exclaims Davar (Histadrut). The prestige of the U.N. has been restored, for the Allies have left Port Said, Israel is pulling out of Sinai, and the dictator is about to smile again. Soon he will come to retrieve Port Said, and soon also will we return to the pre-Sinai situation. There will be infiltrators and *fedayeen*, murders, mines and acts of retaliation; more murders and more mines and — more retaliation. In short: Mr. Hammarskjold's chain reaction.

Perhaps the time has also come to think of implementing the other half of the Assembly's resolution, on arms supplies, attacks, murders, etc. Is there anyone in the halls of the State Department or the U.N. still concerned with the triumph of Justice and Peace rather than with the phantom of face-saving? He must surely be aware of the fact that they will have to answer for endangering themselves and world peace. Mr. Dulles cannot always be sure that he will bring his opponents just up to the brink of war; what if he slips one fine day?

Al Hamishmar (Mapam) is dismayed with the treatment by the U.N. Assembly of the question of persecution of Jews in Egypt and points out that the matter was not taken up urgently since that august body was just on the verge of adjourning for its Christmas recess. There was a note of protest by the American delegate but besides that nothing seemed to stir the Assembly's calm. Of course the desert jackal chorus was there in force — the Arab states that wailed against Jewish aggression, but why did the Soviet delegate call the complaint "the opening of new Israel aggression against Egypt?"

Herut, summing up the various concessions made by Israel on Sinai and Gaza, says that the fruit of victory has been thrown away without winning a single concession for our agreeing to withdraw.

Cinemas

JERUSALEM
At 3.30, 6.30 and 8.30 p.m.

ARNON: Walk Proud the Land.
EDEN: Anna Karenina.
EDISON: Moby Dick, 4th week.
ORGIL: "Le Craneur."
ORION: The Eddy Duchin Story, 2nd week.
ORNA: Bus Stop, 2nd week.
RON: La Provinciale.
STUDIO: Portrait of Jennie.
TEL OR: Flat Top.
ZION HALL: "Les Heros Sont Fatigues."

TEL AVIV
At 3.30 7.15 and 9.15 p.m.

ALLENBY: 23 Paces to Baker Street.
ARMON DAVID: "Le Dossier Noir."
CHEN: Autumn Leaves.
EDEN: Terna, 3rd week.
ESTHER: Viva Las Vegas.
HAMERCAZ: Those who Dare, 2nd week.
MIGDALOR: Adam and Evelyn, 3rd week.
MOGRABI: The Big Knife.
OPHIR: "Papa, Maman, ma Femme et Moi," 3rd week.
ORION: The Man with The Golden Arm.
SHDEROTH: The Night is My Kingdom. Matinee: Ali Baba.
TCHELET: Cockleshell Heroes.
TAMAR: Human Torpedoes.
YARON: We're No Angels, 2nd week.
ZAMIR: "Cuore Ingrato," 10th week.

HAIFA

MAY: Mr. Roberts.
ORION: "L'Etoile De Rio," 2nd week.
ATZMON: Guys and Dolls, 3rd week.
PEER: Young Lovers, 3rd week. Matinee: Hans Christian Andersen.
GAL OR: Tam Tam, 2nd week. Matinee: a) The Avengers. b) Murder Case.
AMPHITHEATRE: Bigger than Life.
ORAH: Rock Around the Clock, 2nd week.
EN DOR: The Golden Hawk.
ORLY: The Seven Year Itch.
MORIAH: Helen of Troy.

ONIYAH
CARBON PAPER
NO CURL

Listen to Kol Yisrael
Christmas Day
Today, December 25,
at 3.30 p.m.
Protestant Christmas
Carol Service
Rev. William L. Hull

'Frozen Third' Issue At Talks Today

TEL AVIV, Monday. — The first meeting on the Histadrut's wage proposals for 1957 is to be held tomorrow between the Histadrut and the Manufacturers Association. The strongest point of discussion will be the Histadrut's claim for payment next year of the "frozen third" which has been firmly resisted by the Association.

It is understood that the Association is likely to accept the Histadrut's proposed changes in the cost-of-living allowance system, except for the clause permitting increases in the allowance before the stipulated six months period when the index rises by five per cent of the average wage.

The Association will also agree to collective agreements being negotiated every two years, after it had originally considered proposing a period of three years.

The Association will press for new regulations permitting dismissals in accordance with the needs of industry and efficiency, it was learned. Employers consider this a vital point in the discussions and more important than the question of wage rises.

The Association is likely to suggest that the present practice of "last in first out" be replaced by dismissals agreed to by tribunals representing workers and employers or by some form of arbitration. Another proposal to be raised by the Association tomorrow is that special medical committees be set up to have exclusive authority in granting sickness certificates to absent workers, instead of the Kupat Holim as at present. It will also demand that the Kupat Holim levy on employers be reduced.

The Association is to hold its annual general meeting on Thursday.

Where to go

JERUSALEM

• **Exhibitions:—**

Permanent exhibition at the Department of Antiquities, 23 Rehov Shlomo Hamelekh. New rooms: Prehistory and Israelite period. Educational exhibit: How to arrange small local collections. Special exhibit: Finds from excavations in Jerusalem. 9-1, 3-5. (Fridays and eves of holidays 9-1; Saturdays and holidays, 10-1.)

Conquest of the Desert, Permanent Exhibition Daily from 10-1 4-6. On Friday from 10-1 only, closed on Saturday.

Collective Exhibition of Paintings by Bacon, Gali, Schreter, Sima, Singer, Steinhardt, Silverwork by D.H. Gumbel. Nora Art Gallery, 9 Maimon Ave., 10-1, 3-6.

1) German Expressionist School. Selected Prints. 2) Iranian Ceramics 1500 B.C.—1500 A.D. 3) 20th Century Italian Artists. 4) Lithographs by Honoré Daumier. Exhibit of the Month. Door of an Imâmzâda (Shi'ite Shrine) Persia, Ispahan, 1288 A.D. (688 A.H.) Bezalel, 9-1, 2-5. 1) "The Bible as seen by Israeli Children"; 2) Drawings by Japanese Children; 3) Wall Reliefs in various metals, by Bezalel Schatz, which will be installed in the new s.s. Herzl. (These will be shown only till December 22). 4) "Maskit" Applied Arts and Crafts. Artists House, 10-1, 3-6.

• **Tours: —**

Hebrew University conducted tour. Call 4338, 4077.

• **Revue: —**

Redley's Ice Revue, New Hapoel Hall, Rehov Straus. 6.30 and 8.30.

• **Film: —**

"La P... Respectueuse" by Jean-Paul Sartre. Israel Touring Club, Talbieh, 8.30. Tourists, members and guests welcome.

• **Beit Ha'am:—**

Talmud Group with Dr. A. Melamed. 5.30. Prof. Y. Prawer on "Jerusalem in the Times of the Crusades." 7.30.

TEL AVIV

Italian specialities, lunch, dinner music. Luky's Bar, 3 Allenby Rd. Air conditioned.

• **Exhibitions: —**

1) Oil Paintings by Siona Baram and Bela Brizel (Paris). 2) Contemporary Dutch Graphic Art. Mus. 10-1, 4-7.

• **Film Programme: —**

American Documentary Films—"Our Times"; "Museum of Science"; and Artur Rubenstein, Piano. Z.O.A. House, 8.

• **Theatre: —**

Cameri, "An Everyday Occurrence," Mograbi Hall, 8.

"You Never Can Tell," New Cameri Hall, 8.

Ohel, "S.S." 8.

Do-Re-Mi, "Pajama Game," 8. Matinee at 3.30: "Heidi." Ohel Shem.

HAIFA

• **Exhibitions: —**

a) Sculptures and reproductions of sculptures and drawings by Henry Moore. b) Didactic exhibition: "Impressionism." Fortnightly exhibit: Bird Marble by Ya'acob Loebel. Municipal Museum, Town Hall, 10-1, 4-7.

Elah's Art Exhibition, Haifa Art Gallery, 44 Rehov Herzl, 1st floor, open daily (except Fridays) 3-7 p.m. Oils, water colours, carbon sketches.

RAMLE

• **Theatre: —**

"I Like Mike," 8 p.m.

BARGAIN SALE
PLYMOUTH
1949 MODEL — 4 DOORS
Excellent condition, with heater and Nylon tires.
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Monday, December 31, 1956
Dancing till early morning at the
TOPAZ BAR to the tunes of the
MANDELBAUM BAND—Surprises
Please reserve your table by phoning the
Tadmor Hotel or Kopel Tours (Tel. 3366)

Dec. 31,
1956
Traditional
GALA-DINNER
at the DAN HOTEL
Floorshow with Henry Wilson
and Israel's best Dance Band
★ DANCING
★ SURPRISES
Please reserve your table in advance

U.K. WEEK-END SOCCER RESULTS

ENGLISH LEAGUE: DIV. I: Arsenal 4, Birm'gham 0; Aston V-Man C, Postponed; Bolton W-Everton, ppd; Burnley 6, Cardiff 2; Leeds-Tottenham, ppd; Luton 4, Charlton 2; Man U-West Brom, ppd; Newcastle 6, Sunderl'd 2; Preston-Chelsea, ppd; Sheff W-Portsm'th, ppd; Wolves 4, Blackpool 1. DIV. II: Bris R 6, Donc R 1; Fulham 6, Notts F 1; Leic C 2, Stoke C 2; Leyton 3, Huddersf'ld 1; Linc C 1, Blackb'n R 2; Liverp'l 2, Bury 0; Middlesbro 1, Barnsley 2; Notts C 0, Grimsby 1; Port Vale-Sheff U, ppd; Rotherham 4, Bris C 1; Swansea 3, West Ham 1. DIV. III (N): Accr'gton S 2, Oldham A 2; Brad C 3, Chesterf'ld 2; Carl'le 6, Mansf'ld 1; Crewe A 1, Darl'gton 3; Derby 6, Bradf'd 1; Halifax 4, Work'gton 2; Hartlep'ls 2, Chester 2; Rochdale-Hull C, ppd; Southp'rt 1, Barrow 1; Stockp'rt 2, South'p'rt 0; Tranmere 1, York C 3; Wrexham 4, Gatesh'd 1. DIV. III (S): Brentf'd 2, Ald'shot 2; Brighton 1, Walsall 3; Colchester 3, N'hampton 1; Cov C 0, Crystal P 0; Gill'gham 1, Shrewsb'y 1; Millwall 2, Ipswich 2; Newp't 1, Qpr 1; Norwich 1, S'thend U 1; Read'g 3, Plym'th A 2; S'hampton 2, Exeter 2; Swindon 2, Watford 0; Torquay U 1, Bournem'th 0.

SCOTTISH LEAGUE: DIV. I: Aberdeen 2, Motherwell 3; Airdrie 2, Celtic 7; Dunf'mline A 1, Hibs 3; E Fife 2, Dundee 0; Falk'k 0, Raith 4; Hearts 3, Qun o Sth 1; Kilm'nock 3, Rangers 3; Partick 3, St. Mirren 0; Quns Pk-Ayr U, ppd.

(Reuter)

Credits for Firms Hit by Sinai

Jerusalem Post Reporter

A special IL2.5m. fund to provide loans to industrial plants for losses caused them by the campaign in Sinai was decided on yesterday by the Ministry of Commerce and Industry and the Bank of Israel, the Ministry spokesman has announced.

The loans, which will be given for periods up to six months, will be made through the four larger banks. When applying for a loan, the plants will be required to furnish a report of their monthly turnover, up to the month of November (showing the drop in the turnover of that month).

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Notices to the Public

TENDER FOR SALE OF EXPORT GOODS

Jaffa Customs House

The Tel Aviv-Jaffa Customs Collector hereby invites bids for the purchase of goods listed in the following tenders:

Tender No. 125/56 4,000 primus stoves and their parts.

Tender No. 126/56 2,322 yards of cotton lace ribbon.

The above goods, which have been confiscated by the customs authorities, are offered for sale, for export only, according to the following conditions:

A. Bids must be based on immediate export on a cover of foreign currency at the f.o.b. rate at an Israel Port.

B. A bank cheque or bank guarantee, issued to the Tel Aviv-Jaffa Customs Collector, which must remain valid until April 1, 1957, should be attached to the bid.

The above cheque or guarantee should be 10 per cent of the bid in Israel Pounds, at the exchange rate of IL1.800 to the dollar.

C. The bid should be placed in a sealed envelope and marked "Tender for the sale of export goods..." (Including the number of the bid). The envelope should be placed in another envelope and marked "Tel Aviv-Jaffa Customs Collector," and should reach the above address not later than March 1, 1957.

D. Successful bidders must contact the Director of Customs and Excise, Haifa, for a contract containing the procedure for exporting the goods and terms of payment to the Director of Customs and Excise.

E. Every bid so submitted will commit the bidder, and the cheque attached to the bid will guarantee fulfilment of all the details and conditions of the bid.

F. The Tel Aviv-Jaffa Customs Collector is not bound to accept the highest or any bid.

G. Persons interested in submitting bids should apply to the Sales Department, Jaffa Customs House, Room 13, between 9 a.m. and 12 noon, to obtain additional information and permission to enter the warehouse to view the goods before submitting a bid.

P. RASKIN
Customs Collector
Tel Aviv Port

A SURVEY OF the extent of tuberculosis among cattle is being conducted by the Veterinary Service of the Ministry of Agriculture in the area between Kfar Saba and Rehovot, which is the principal area affected by the disease. A drive to combat the sickness will follow completion of the survey.

EMERGENCY PHARMACIES

JERUSALEM: Sichron Moshe, 16 Yeshayahu, 4191.

TEL AVIV: Altman, 1 King George, 3791. Volkovski, 36 Herzl, 84657. Amami, 34 Ben Yehuda, 23923. Bracha, 243 Dizengoff, 25440. Maccabi, New Maccabi Qtr., 67387. JAFFA: Dajani, 66 Jerusalem Blvd., 82886. RAMAT GAN: Lifshitz, 19 Herzl, 71771. Hadassah, Katznelson cor. Modi'in, 72971. RISHON LEZION: Gamarnik. REHOVOT: Barak, 105 Herzl, 266.

HAIFA: Balfour, 1 Massada, 3269.

EMERGENCY PHYSICIANS

JERUSALEM: Greenwald, 22 Yehoshua Bin Nun, 62962. Romanov Leon, 11 Arlosoroff, 61217. Aronfeld, 24 Ramban, 4280.

TEL AVIV: Dr. Griffel, 5 Ben Yehuda, 23426. Dr. Shaham, 1 Syrkin, 25482. JAFFA: Dr. Alkalai, 65 Street 4. Dr. Weinberg, 4 Street 65.

HAIFA: Dr. Sherman, 3 Hanevi'im, 2424. Dr. Ludwig, 24 Shivat Zion, 67417.

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Machinery, seeks work with
living accommodation.
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Michael Hallo
House Painter
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PHONE
26150

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including loans up to 12 years
Dr. Michael Gruenebaum
96 Ben Yehuda Rd., Tel Aviv
Tel. 22414.
Reception hours: 4-7 p.m.

Ramat Gan Municipality
Requires Senior Clerk
expert in administration and personnel management. Candidates with suitable experience should send applications, including curriculum vitae and certificates, to the Ramat Gan Municipality Secretary, by January 15, 1957.
A. Krinizi
Mayor

It's better when it's

BLUE BAND

Today's Postbag

WEATHER

FORECAST: Partly cloudy.

	*A	B	C	D
Mt. Cana'an	20	5	10	11
Tiberias	53	12	19	20
Haifa Port	51	11	18	18
Natanya	36	16	20	20
Tel Aviv Kirya	61	8	21	21
Tel Aviv Port	59	10	19	19
Lydda Airport	37	8	21	21
Jerusalem	51	6	12	13
Beersheba	45	8	17	19
Sdom	—	9	—	21
Eilat	29	9	21	22
Sinai	—	—	—	25

*A) Humidity at 8 p.m. B) Minimum temp. C) Maximum yesterday. D) Maximum temp. expected today.

ARRIVALS

Rabbi Mordechai Nurock, M.K., from Geneva (by Swissair).

Mr. Y. Glickman, Director-General of the Ministry of Commerce and Industry, after a week's visit to Britain (by El Al).

Mr. Israel Sieff, Honorary President of the Zionist Federation of Great Britain and Ireland and a Director of the Anglo-Israel Development Corporation (by Cyprus Airways).

Mr. Juan Walker, Deputy-Editor of the Chilean newspaper "La Nacion" of Santiago, for a two-week visit.

MR. AMOS BEN-GURION'S libel claim for IL.25,000 against four members of Shurat Hamitnadvim will begin on February 5, Relieving President of the Tel Aviv district court, Dr. Z. Zeltner, ruled yesterday.

• • •

THE DAILY AVERAGE of unemployment for the week ending December 14 was 19,400, a rise of 2,325 over the previous week. Of the unemployed, 3,159 were women and 15,896 unskilled labourers.

• • •

THE CIVIL SERVICE Commissioner has announced that pensions for civil servants over 65 will be calculated as of January 1, 1957.

• • •

UNFORESEEABLE heart weakness caused the death of Mrs. R. Rosenthal while under electro-shock treatment at Tel Assaf Hospital in Ramat Gan, police pathologist, Dr. M. Weissberg, declared on Sunday. He stressed that there were no signs of electrical burns on her body when she was brought to Hadassah Hospital in Tel Aviv, contrary to rumours that she had been electrocuted while under treatment.

• • •

BENZION OVADIA, a pupil of the Beit Hakerem Secondary School and one of a family of 12 children, was yesterday presented with a IL.600 prize by Mr. Hanan Yarden, Acting Chairman of the Bloomenson Institute which distributes the prize to an outstanding Israel pupil on December 25, the anniversary of the birth of its founder, Avraham Bloomenson, of Duluth, Minnesota, U.S.A.

• • •

DAN'S GARAGE workers' wildcat strike was called off yesterday in answer to a call from the Tel Aviv-Jaffa Workers' Council.

Freedom of Jerusalem Given Dr. Wallach

Jerusalem Post Reporter

The highest honour that can be granted by the City of Jerusalem — the Freedom of the City — was bestowed on Dr. Moshe Wallach on Sunday evening by Mayor Gershon Agron.

Official presentation of the honour, a handsomely engraved certificate, is to be made soon in the Town Hall. Only four other persons have received the honour: the late President Weizmann; President Ben-Zvi; Prime Minister David Ben-Gurion and Rabbi Y. L. Maimon.

Blow to Old City As U.N. Personnel Leave

Evacuation of the Old City by all U.N. personnel, who have either moved to Israel-held Jerusalem or to Government House, has added to the economic stress in the city, "El Jihad" reported yesterday.

The Old City daily pointed out that while Jordan had only ordered British, New Zealand and French members of U.N.T.S.O. to quit Jordan, the U.N. headquarters instructed all staff members to leave Jordan-held Jerusalem.

SHEIKH BUKHARI DEAD

The death occurred in the Old City on Sunday night of Sheikh Yakub Bukhari, head of the mosque of the Nakshabandia dervish sect.

Sheikh Bukhari, who for years was in charge of the famous El Aksa Mosque library and museum, had many Jewish friends and was noted for his moderate and liberal views.

WRECKAGE. — A ski patrol of carabinieri yesterday located the wreckage of an Italian airline plane which crashed two days ago on Mt. Giner, near Trento, in the Dolomites. The airliner had 21 passengers and four crew.

The STAFF of the BUSINESS DIARY
are happy to convey to their EDITOR
Mr. G. Alon (Eichelgrun)
sincerest congratulations on the
10th anniversary of his Magazine.

Jordan Rejects U.S. Priest For Xmas—'His Name Sounds French'

Jerusalem Post Staff

Two hundred Israel pilgrims, who had been granted permission to cross into Jordan yesterday to celebrate Christmas, failed to appear at the last moment, cutting the number of pilgrims crossing from an expected 1,700 to 1,500.

Another 25 persons were turned back at the "gate" by the Jordanians who generally did not give any reason for their action. They included six Americans, as well as nationals of Austria, Sweden and Finland.

Among those refused entrance was Father Robert Grandville North, an American priest of the Jesuit Order. He was turned back because his name "had a French sound."

A Jordanian Captain of Police, Fa'adl Jelad, created a minor incident when he tried to expel English and French journalists and press photographers from the small square of no-man's-land at the Gate.

One of the journalists called out in English, asking him why they were being driven away.

"Don't speak to me in English," the heavy-set captain barked. "I hate the English and the French."

"But you accept financial aid from England," someone called out.

Jelad made no answer. A second later when someone accused him of being in the employ of Nasser, he pretended he had not heard.

Approaching a photographer, he asked him what he was doing.

"Taking pictures of the pilgrims crossing," came the answer.

"Go to Port Said and take pictures of the wreckage caused by the British and French," he snapped.

'Show Me!'

When a "Life" magazine photographer protested that he was an American, Jelad told him, "I won't believe you until you prove it."

The English and French newspapermen left the area, but later returned without causing any comment from the Jordanians.

Arrangements made by Israel police proved exemplary. Most of the pilgrims were checked on the Israel side by 9 a.m. On the Jordan side, however, it was three hours later before the last of the queue disappeared.

An Israel policeman said he hoped that the same pace could be kept up today when the pilgrims return, laden with purchases and gifts which require customs examination.

For the first time since the Gate was opened for the Christmas pilgrimages, a U.N. Observer was present to see, as he explained, that "everything was all right."

At their meeting yesterday morning in Jerusalem, members of the Jerusalem Consular Corps reaffirmed their earlier decision not to hold the traditional Christmas Eve procession to Bethlehem. The decision was taken after the Jordanians banned the use of the traditional route, the old Bethlehem road, on "military grounds."

The Consuls had a fortnight ago protested to Jordan, who in turn suggested they might cross at Mandelbaum Gate. They insisted, however, that there was no alternative to the traditional road, south of Talpioth, which had been opened specially for them every Christmas since 1948.

"Al Jihad," the Old City daily, reported yesterday that the Jordanian Government on Sunday night decided to waive the ban on the entrance of British pilgrims, but not on French, except for clergymen.

In Tel Aviv

In Tel Aviv, the Ambassador of the United States and Mrs. Lawson gave a Christmas Eve cocktail party for the Embassy staff, serving the traditional eggnog punch.

By special arrangement with the State Department many members of the American Embassy staff joined their families in Rome and Athens, where they have been staying since their evacuation two months ago. Dr. Lincoln B. Hale, head of U.S.O.M., and the few remaining officials of U.S.O.M., have also gone to Europe to spend Christmas with their families.

Members of the French diplomatic mission were guests of the Ambassador and Mme. Gilbert at their home in Givat Aliya last night. The French community heard solemn mass at St. Anthony's Church in Jaffa last night, and the nuns of the French Hospital nearby heard mass in their own chapel.

The British Ambassador and Lady Nicholls had a party last night for Embassy staff at their home in Ramat Gan. This week most of the British diplomatic personnel sang carols at the Emanuel Church in Jaffa, where they will also attend Christmas Day services today.

In Haifa

In Haifa, Christmas services were held at St. Luke's and the Scandinavian Seamen's churches. Apart from the service in the Scandinavian Seamen's Church for all men wishing to attend, there were Christmas parties on foreign ships in port. The sailors had stuffed turkeys, geese, and ducks. Gaily-decorated trees were put up on the decks of several ships.

JAPAN. — Japan's new Premier, Mr. Tanzan Ishibashi, announced yesterday that he will concurrently hold the posts of Defence Minister, State Minister for Economic Planning, and Minister for Hokkaido Development, for the time being, because his nominees refused to take these portfolios.

Legion Fears Girl Who Talks Hebrew

By MACABEE DEAN [illegible]
Jerusalem Post Reporter

The 17-year-old daughter of Dr. Margaret Mead, the American anthropologist, was turned back from a Christmas pilgrimage to Bethlehem by the Jordanians at Mandelbaum Gate yesterday on "suspicion of being Jewish." This phrase was pencilled in her American passport in Arabic.

Miss Mary Catherine Bateson, who came with her mother to Israel last July, stayed on to go to school here. Known as "Gallia" to her classmates, the pretty, blue-eyed senior at the Beit Hakerem High School, believes she was turned back because, "I spoke Hebrew too well."

Upon crossing into Jordan and presenting her American passport, she was questioned by a Hebrew-speaking Jordanian. Since the Jordanian spoke fluent Hebrew and only broken English, she continued to speak Hebrew. After checking her papers, he informed her that they were not in order.

From his manner, she inferred that she was suspected of being Jewish. She produced a certificate showing that she had been baptised into the Episcopalian Church. The official was surprised to see it, but would not budge from his refusal. She returned to Israel after spending only a few minutes in Jordan.

The Israel authorities interceded with the Jordanians, but the latter remained adamant.

Since the Jordanians had not objected to her crossing when they rejected 62 persons last week, she thought everything was in order. She packed a small bag and presented herself at Mandelbaum Gate, only to be refused admission at the last moment.

Sharett to Head Mapai Information Drive

Jerusalem Post Bureau

TEL AVIV, Monday. — Former Prime Minister Moshe Sharett is expected to leave for America shortly for a few weeks' tour to assist in a fund-raising campaign, it was learned from Mapai circles here. When he returns, Mr. Sharett is expected to start an extensive information drive on behalf of his party.

Nothing is yet known regarding the form of Mr. Sharett's role in this drive, but at Mapai headquarters the feeling is that Mr. Sharett will contribute greatly to formulating the ideals for which the Party is to fight in the immediate future.

It is understood that Mr. Sharett will have a staff of helpers at his disposal for this task. Rumours that Mr. Sharett will head the Histadrut daily "Davar" apparently lack al' foundation.

Reports which appeared in "Al Hamishmar" this week to the effect that Mr. Sharett will be nominated by Mapai to replace Dr. Nahum Goldmann as the President of the World Zionist Organization are completely false, Mr. Giora Josephthal, Secretary-General of Mapai, said today in a letter to the press.

Such rumours, Mr. Josephthal stated, were considered by the Mapai secretariat "a smear campaign against the present President of the Zionist Organization who had been elected with the full support of Mapai."

Actress' U.S. Bond Tour: Holiday from Housework

Jerusalem Post Reporter

TEL AVIV, Monday. — "The Sinai campaign aroused such strong feeling among American Jewry that income from the Independence Bond Drive rose by 40 per cent," Orna Porat, the Chamber Theatre actress, told the Press here after touring 43 North American cities for Israel Bonds. This year's total is expected to reach $60m.

Despite a crammed programme of 48 speeches and 13 television interviews, Orna Porat said, "It was a holiday from housework." Her most exacting duty was to appear at a whole month of parties for Premier Ben-Gurion's 70th birthday. Each candle on the blue-and-white cream cakes cost one bond. "Once I refused to cut the cake until all 70 candles had been bought," smiled the actress.

Orna Porat made a point of wearing Maskit clothes, which feature local style and fabric. Her custom of going without make-up rather shocked the American ladies, who finally prevailed upon her to "behave like an actress and wear lipstick at parties."

Mr. Y. Milo, Director of the Chamber Theatre, noted that Orna Porat was the first delegate from the Israel stage to embark on such a mission.

BUDGET ESTIMATES FOR 1957—1958

INCOME

	1957/58	1956/57
Ordinary Income	IL. 461,450,000	IL. 413,250,000
Transferred Income (to other items)	6,550,000	5,800,000
Income from Posts and Transport	55,250,000	49,800,000
Income from Counterpart Fund, loans and collections for Development Budget, payment of debts and special expenses	335,500,000	303,750,000
Total	IL. 858,750,000	IL. [illegible]

Ordinary Income

	1957/58	1956/57
Income tax (excluding local authorities)	IL. 190,000,000	IL. 180,000,000
Property Tax	5,000,000	4,000,000
Land Improvement Tax	500,000	500,000
Inheritance Tax	1,000,000	1,000,000
Customs Duty (general)	91,000,000	70,000,000
Customs Duty (fuel)	25,000,000	25,000,000
Excise Tax — Tobacco	22,000,000	19,000,000
Liquor	9,000,000	9,500,000
Cement	28,000,000	28,000,000
Tires	2,250,000	2,000,000
Purchase tax (95%) (the remainder appears in the transferred income)	41,800,000	39,900,000
Foreign travel tax	2,750,000	2,500,000
Revenue stamp tax	6,300,000	5,000,000
Revenue amusement tax (50%)	1,850,000	1,500,000
Licence fees — vehicles (50%)	2,500,000	2,200,000
driving	600,000	600,000
various	3,150,000	3,300,000
Property registration tax	2,500,000	2,000,000
Miscellaneous service fees	250,000	800,000
Transfer of tax revenue to Development Budget	19,000,000	18,750,000
Collections on account of interest and miscellaneous receipts	27,000,000	28,000,000
Transfer of revenue from Development Budget	7,000,000	—
Total Ordinary Revenue	IL. 461,450,000.	IL. 413,250,000

Transferred Revenue

	1957/58	1956/57
Taxes to local councils:		
purchase tax (5%)	IL. 2,200,000	IL. 2,100,000
amusement tax (50%)	1,850,000	1,500,000
vehicle licences (50%)	2,500,000	2,200,000
Total Transferred Revenue.	IL. 6,550,000	IL. 5,800,000

Income from Posts and Transport

	1957/58	1956/57
Ministry of Posts and Post Office Bank	IL. 32,250,000	IL. 29,000,000
Ministry of Transport	23,000,000	20,800,000
Total Posts and Transport	IL. 55,250,000	IL. 49,800,000

Income from Counterpart Funds, Loans and Collections for Development Budget, for Payment of Debts and Special Expenses

	1957/58	1956/57
Reparations Counterpart Fund	IL. 72,000,000	IL. 72,000,000
U.S. Counterpart Fund and Agricultural surpluses	76,500,000	72,000,000
Development Loan Counterpart Fund	63,500,000	54,000,000
Collections on account of loans	37,500,000	23,000,000
Collections on account of posts and transport	5,000,000	5,000,000
From the Development Authority (from sale of property)	3,500,000	7,500,000
Compulsory Loan-Property Tax	—	3,000,000
Internal loan from insurance, (provident and pension institutions)	29,000,000	44,000,000
Telephone installations	1,500,000	1,500,000
Transfer of taxes from the Ordinary Budget	12,000,000	18,750,000
Total	IL. 335,500,000	IL. 303,750,000

EXPENDITURE

	1957/58	1956/57
Ordinary Expenditure	IL. 461,450,000	IL. 413,250,000
Transferred Expenditure	6,550,000	5,800,000
Ministry of Posts	32,250,000	29,000,000
Ministry of Transport	23,000,000	20,800,000
Development Budget, Payment of Debts and Special Expenses	335,500,000	303,750,000
Total	IL. 858,750,000	IL. [illegible]

Ordinary Expenditure

	1957/58	1956/57
Office of the President	IL. 98,500	IL. 90,000
Knesset	1,791,000	1,407,000
Government Ministers	308,000	98,000
Prime Minister's Office	4,598,000	3,798,800
Government Tourist Corp.	1,065,000	1,018,500
Finance Ministry	17,978,000	15,684,800
Defence Ministry	79,416,000	76,902,800
Health Ministry	31,508,500	28,780,000
Jewish Agency participation	2,000,000	—
Ministry for Religious Affairs	3,477,800	2,930,000
Ministry for Foreign Affairs	12,900,000	11,396,400
Ministry of Education and Culture	62,250,000	47,163,000
Jewish Agency participation	3,000,000	—
Agriculture Ministry	9,012,000	6,470,000
Ministry of Commerce and Industry	4,468,000	3,872,000
Ministry of Police	35,625,000	33,726,000
Ministry of Justice	4,893,000	3,801,000
Ministry of Social Welfare	12,698,000	10,968,000
Jewish Agency participation	2,000,000	—
Ministry of Labour	28,305,000	23,018,000
Jewish Agency participation	5,000,000	—
Benefits to Invalids (War against the Nazis)	2,161,000	543,100
Ministry of Development	910,000	736,500
Ministry of Interior	2,602,800	2,334,000
Local Authorities	1,780,000	1,600,000
Office of the State Controller	1,953,000	1,798,000
Technical Aid	250,000	1,200,000
Pensions and Compensation to Employees and Ministers' Families	2,000,000	1,000,000
Reserve for Services for New Immigration	9,000,000	—
Jewish Agency participation	6,000,000	—
General Reserve	3,820,000	2,254,300
Subsidies for Goods and Services	29,000,000	
		36,000,000
Export Subsidies	12,000,000	
Security and Special Budgets	68,000,000	68,000,000
Interest Payments	45,000,000	40,000,000
Total	IL. 461,450,000	IL. 413,250,000

Development Budget, Payment of Debts and Special Expenses

	1957/58	1956/57
Agriculture	IL. 68,450,000	IL. 60,100,000
National Water Project	4,000,000	6,700,000
Arava Development	1,500,000	1,250,000
Industry and Artisans	29,450,000	33,450,000
Mines and quarries	30,650,000	14,750,000
Electricity	10,000,000	60,000,000
Transport	21,200,000	25,200,000
Posts	5,450,000	7,000,000
Housing	54,750,000	44,850,000
Local Councils	5,600,000	7,350,000
Building for Government and Institutions	8,950,000	3,250,000
Funds and Other Projects	800,000	1,290,000
Public Companies	—	250,000
Public Works	5,000,000	5,000,000
Reserve	1,750,000	210,000
Total	IL. 334,500,000	IL. 216,750,000

Safety of Anti-Polio Serum Stressed on Eve of Drive

Jerusalem Post Reporter

The safety of the Salk vaccine and the large quantity of it now in the Ministry of Health storage freezers leads health authorities in Israel to approach with "absolute confidence" the forthcoming inoculation campaign against infantile paralysis. This was stated yesterday by Professor G. Mer, Director-General of the Ministry, at a press conference in Jerusalem.

Present were the planning and execution chiefs of the programme, which begins next Tuesday. They are Dr. P. Yekutiel, Director of the Ministry's Epidemiology Department; Dr. N. Goldbloom, head of the Government Laboratory in Jaffa, which is producing the vaccine; Dr. Y. Rotem, Director of the Children's Division at Tel Hashomer hospital; Dr. A. Beilin, of the programme's executive staff; Dr. S. Ginton, in charge of public relations, and Professor E. Adler, Associate Professor of Physical Medicine and Rehabilitation at the Hebrew University-Hadassah Medical School.

The American vaccine was bought with a Treasury allocation of $80,000. The cost of implementing the campaign, including equipment, amounts to IL.100,000.

Some 128,000 children between the ages of six months and three years will receive two intradermal shots (in the upper layers of the skin) spaced a month apart. A third shot will be given next winter.

For babies born in September or October and for children who for any reason will not be inoculated in January and February, a second series of inoculations will be given in March and April. A "major illness" would be the only reason to withhold the injection, the press was told.

It is hoped that an answer will be received by early January on tests now being made in laboratories in the United States and Denmark of Israel's own vaccine. Until confirmation is received of its safety, only the American serum will be used.

Some 70 medical teams, each headed by a physician or a qualified nurse, will administer the inoculations. Mobile units will reach every settlement as well as hundreds of Beduin children in the Negev and incoming immigrant children. Volunteers are still needed to serve as clerks and reception hostesses. Drivers with cars are needed to bring children to stations where necessary.

Most of the country's 14 district health centres have already notified parents by letter when the inoculation station nearest them will be open, the press was told. Beginning January 1, information on the campaign will be broadcast every morning over Kol Yisrael after the seven o'clock news bulletin.

A list of inoculation stations and the hours they are open will be published in the press and posted on street billboards. Each of the district offices has arranged for vans equipped with loudspeakers to bring information to the public in several languages.

Blood samples will be taken from 2,000 children before and after the double inoculation to determine the number of anti-bodies produced by the serum. This will help decide the date of the third shot.

The Hadassah Medical Organization has undertaken to administer the campaign in Jerusalem and the Corridor. In other places, the preventive health network (principally mother and child health stations) are being utilised for organizing the operation.

Purest of All

The Salk vaccine was the "purest" of all vaccines produced so far and could cause only a "minimum" reaction. Such reaction could stem only from an allergy to the antibiotics in the vaccine. There had been few serious reactions in the 25 million children so far inoculated in other countries.

Professor Mer said that enough vaccine would be available after the campaign to inoculate children over the age of three or adults. This vaccine would be distributed at minimal or no cost to private physicians who requested it on condition that the physician was acquainted with the inoculation technique and would supply to the Ministry statistical data on each case.

Professor Mer noted that Israel was taking on a campaign which many "richer countries have not yet dared to undertake."

As to the vaccine's safety, the press was told that of the children who received three shots, there had not been a single case of polio. Among those who had received fewer than three shots, the incidence had been reduced by between 80 and 90 per cent.

PARTY. — The film producer, Mike Todd, has given a $100,000 party in Hollywood, for the opening of his film "Around the World in 80 Days," based on the novel by Jules Verne.

Two Killed In Haifa Accidents

Jerusalem Post Reporter

HAIFA, Monday. — Two persons were killed and a third seriously injured, in three accidents in the Haifa area yesterday.

Mrs. Basha Shwarz (55), of Tel Hanan, was fatally hurt when she was run over by a hit-and-run driver near her home at 10.30 p.m. She died later in the Rambam Hospital.

The car made off, but was later caught in Nazareth. Its driver, Jabber On-Alla, was detained.

In the afternoon Yitzhak Segal (55), of Rehov Stanton, was killed in the port when some boards fell on him while he was working on the offloading of a cargo of timber from the s.s. Modesta in the port.

Shortly after noon Baruch Druckman (60), of Kiryat Haim, who was pushing a handcart between kilometres 8 and 9 on the Acre-Haifa highway was knocked down by a truck from Rama village. He was badly hurt, his cart was damaged, and a large number of eggs in it were smashed.

SURVEYING OF the new road to Eilat has started.

More Immigration Than Expected

Jerusalem Post Reporter

The likelihood that the number of new immigrants to arrive during the year 5717 will be even larger than that anticipated at the recent meeting of the Inner Zionist Council was discussed yesterday by the Jewish Agency Executive in Jerusalem.

Two weeks ago, the Inner Zionist Council was told that 72,000 immigrants were expected during the current Hebrew year — of whom 55,000 were still to come.

The Executive discussed primarily the problems of immigration from countries in which anti-Semitism is rife, and how the Jewish Agency budget can be stretched to cope with the unexpected burden. The meeting was the Executive's regular session and was chaired by Mr. Z. Shazar, Acting Chairman of the Executive.

THE WEIZMANN INSTITUTE has opened a course in the use and handling of radioactive materials, in industry, medicine, agriculture and chemistry. The course, first of a series, will last three months and include 100 lectures and 40 laboratory experiments to be performed by the students.

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Druse Sheikhs Concerned For Safety of Brethren in Syria

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA, Monday. — Serious concern at the danger of fresh Syrian persecution of the Druse minority there was expressed by eight Druse sheikhs, leaders of the 18,000-strong Druse community in Israel, at a press conference here today held under the auspices of the Hamerhav Organization.

The Israel Druse may ask the Government to take action on their behalf through the U.N. and the Red Cross. If these are to no avail, they will demand permission to send a brigade to the aid of their brethren in Syria.

They stated that more Druse sheikhs, who had assembled yesterday to celebrate the passing-out of Druse Army recruits, have identified themselves with this stand, which represented the viewpoint of the whole community.

The speakers, whose tension and feeling were underlined by their constant clicking, through nervous fingers, of their yellow beads, spoke of their long-standing friendship between the Jews and their community.

They aided the Jews during the Arab riots, first secretly and later openly. During the War of Liberation, their leaders threw in their lot with that of Israel and their young men volunteered for the Israel Forces. A number of volunteers from the Jebel Druse in Syria also came here to help.

Sheikh Labib Abu Roken, of Isfiyah, basing himself on a legend which says the Druse were part of the Jewish people at the time of the Exodus from Egypt, but were left behind when the Red Sea was divided, asserted his people now considered themselves an integral part of Israel and asked for equal rights and full equality. They wanted equality also within the Histadrut. They also wanted the Jewish people to know of their feelings and hoped that these would be mutual.

Sheikh Saleh Abu Roken, a religious scribe of Isfiyah, a small white-bearded man, appealed to the Government in a fiery speech to support the Jebel Druse claim for independence.

The Hamerhav organization, of which Mr. B. Gurevitch is chairman, has its headquarters in Haifa. It comprises Jews and members of the minority communities, and aims at ensuring them full rights. It also aims at dispelling the popular belief that the Middle East is exclusively populated by Arabs.

The leaders at the press conference included Sheikh Salman Tarif, brother of the Israel Druse religious head; Sheikh Jaber Muadi, M.K.; Sheikh Hassan Abu Salah; Sheikh Zaki Sa'ad; Sheikh Hussein Abu Saleh, and Sheikh Salman e-Said.

Foreign Firms May Dig Israel Tunnel

Jerusalem Post Reporter

TEL AVIV, Monday. — The Mekorot Company will this week invite tenders from foreign and local contractors for the excavation of the remainder of the Menashe Tunnel at Yokne'am, it was learned today. Work on the 7 kilometre long tunnel — part of the Jordan River-Negev irrigation scheme — was started by Mekorot five months ago, and 850 metres have been bored.

The Company decided to invite tenders from other companies which could perhaps carry out the specialized work at a lower cost. Blueprints of the tunnel and samples of its earth will be sent to French, Swedish, and British companies.

It is possible that Solel Boneh, in partnership with a foreign company, might be interested in the contract. At present, it is estimated that the tunnel will take three-and-a-half to four years to complete. The Menashe Tunnel is the second tunnel of the irrigation scheme to be built by Mekorot.

Meanwhile, it is understood that Mekorot is interested in carrying out water engineering jobs abroad. Besides the financial benefits accruing to the country, Mekorot views foreign contracts as a solution to the problem of surplus personnel remaining after the execution of such emergency jobs as the Eilat-Beersheba oil pipeline.

665 HOUSING units comprising 1,568 rooms were completed in August, including 428 for immigrants, 165 Popular Housing flats, and 72 in various housing schemes. More than 11,000 units were in various stages of construction during the same month.

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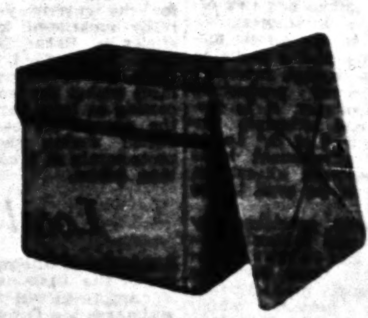

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Economic News from Abroad

Iraq's Unemployment

● Iraq's ambitious development plans will have to be modified shortly as a result of loss of revenue from oil royalties following the wrecking of oil pipelines in Syria. At present the Iraq Development Board is getting about £1m. a month (from the Basrah oil royalties) instead of the £6-7m. provided for in the estimates. With the increased oil flow through additional pipelines to Banias, planned to begin next year, the Board's income would have risen to almost £10m. a month. The Board's six-year programme was drawn up accordingly, and a total of £90m. earmarked to be spent next year, including £54m. for roads, railways and airports, but the programme's execution will be retarded and no further tenders issued for the time being, though the Board is anxious to avoid a drastic change which could cause an exodus of foreign engineering and contracting firms which maintain costly technical offices at Baghdad. The Board has a balance of £45m. in hand, sufficient to keep the major long-term projects going for some time, and would presumably get some interim financing from the Iraqi government, which has a balance of some £300m. in London, but some scaling down is unavoidable in the long run. As a result, the employment situation in Iraq is bound to deteriorate, especially since the I.P.C. employees who have been kept busy on repair work will also be dismissed before long.

Greek Cotton Exports

● The final estimate of the Greek ginned cotton crop is about 57,000 tons, a considerable advance against last year. The rise in cotton production has been especially apparent in the Larissa region, where 44,000 dunams of unirrigated and 80,000 of irrigated land were planted with cotton and yields of 40-50 kg. per dunam on the first and of 150-180 kg. on the second were obtained. Ginning factories in Larissa were so busy that large quantities had to be sent to Athens for processing. Cotton exports doubled this year and over 20,000 tons were shipped up to September. The chief customers were Italy, France, Yugoslavia and Hungary.

British Export Drive

● A new dollar drive by British industry is expected shortly, in order to improve the country's worsened foreign currency situation. Although the fuel shortage and extra raw material costs caused through the Suez closure seriously affect the British competitive position in the American market, an increase of the export volume is seen as possible by an intensive canvassing campaign. However, the rise in protectionist sentiment in the U.S. and the recent reduction of import quotas for woollens do not augur well in this respect. British exports to the U.S. totalled $557m. in the first ten months of 1956, compared with $513m. in the corresponding period of 1955.

Morocco to Get U.S. Aid

● Extension of American economic aid to Morocco is considered virtually certain in order to avoid an economic crisis in the newly established state, and $28m. for the current year is already mentioned in political circles in Rabat. No details have been fixed, however, since the Moroccan government wishes the money to be coming as lease payments for the use of air bases constructed during the French protectorate at a cost of more than $400m.

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Tuesday December 25, 1956
21 Tevet 5717, 24 Jamad Awal, 1376

ISRAEL'S first steel smelter was kindled last week, with surprisingly little publicity. This marked the completion of the major part of the steel combine at Acre, which is to become one of the country's biggest industrial enterprises, and will employ 1,500 workers producing 100,000 tons of steel sheets, rods angles, pipes, etc. annually. The occasion calls for a review of our attitude to industrial development, which is now facing many intricate problems.

STAGNATION OF INDUSTRY

We have heard much lately about the declining profitability of mixed farming, but there is no doubt (though little factual evidence) that profits have declined in most manufacturing industries as well, especially if the depreciation of fixed assets is calculated at replacement value, and due account is taken of the imperative need to increase industry's own capital resources. Moreover, while overall agricultural production has been rising rapidly, efficiency stepped up, and more people settled on the land, both industrial output and employment have been stable for about two years, and in many cases dismissals have only been avoided through the award of special credits or trade union pressure.

This is not good news for the country's economy. But perhaps even more important is how our industry reacts to the difficulties it encounters. It does not initiate a productivity drive, nor does it make dogged efforts to cut costs and raise output. It does not try to smash cartels, fight the trade unions and risk offending the government bureaucracy by the classic method of offsetting a declining profit rate through increased and improved production. On the contrary, it is despondent and attempts "to make the best of it," i.e. to get easy government loans or raw material allocations, which are of no avail in the long run.

To be sure, subsidies play a big — and increasing — part in agricultural expansion, but there they are tied to specific production or settlement targets, which are of a frankly transitory character. There are also, admittedly, industrial concerns more progressively — or, perhaps, more capitalistically-minded (e.g. Ata or Makhteshim), but they are exceptions. In fact, much of the modern and expensive equipment acquired in recent years has not yet been put to use, and some manufacturers do not conceal the fact that they would be glad to get rid of it for a bit of cash. Something should be done to change the general mood so that industrial progress can be resumed.

Hitherto it has been usual to retort to such suggestions that the way to progress is blocked by excessive wages and taxes. In both fields important changes are pending. And the time has come to recall that in most industries wages constitute only a small part of the total costs, and that the current exorbitant interest rates for marginal credits, ploughed-back profits represent lucrative investments in spite of the heavy tax rates. Nor can an excuse for stagnant production be found in the limitations of the domestic market, for many of the existing factories have been set up with an eye on export as well, and are technically capable of competing with most European countries. It is also obvious that only a higher turnover could bring about a reduction of overheads and a rapid accumulation of depreciation reserves, which are preconditions for industry's financial improvement.

If industrial management were to set itself such a goal, it would have to crack various hard nuts on the way, but it could — for the first time — be assured of co-operation from both the public and the administration. Even the trade unions would be ready to accept special rates or reduced social emoluments or staggered work hours, etc., in order to get additional employment for their members, while the Treasury has never been in a more reasonable mood about sound business proposals.

However, if no such proposals are forthcoming from industry itself, plans will be put forward from above, perhaps based on theory more than on actual experience. Whatever the individual industrialist's calculation, the industry cannot afford to be content with marking time.

Steel Smelting Furnace shown above was kindled last week at Koor's "Steel Town" near Acre. Photo: Tauber

Soaring Income and Expenditure

By Our Economic Editor

THERE was a time — more than two years ago—when the Treasury was so proud of its achievements that it made a point of regularly publishing revenue and expenditure figures. Even a special fiscal bulletin was announced then, of which, however, only one issue appeared. That liberal spell was of short duration, and the Israel public has again been weaned from knowing too much about what is going on in the field of Government finances. Therefore particular interest attaches to the recently published semi-annual statement of the Treasury—although it is rendered somewhat obsolete by the Sinai campaign and its aftermath.

This is all the more so since it is accompanied by an introduction in which the Accountant-General — presumably with tongue in cheek — contrives to show that, first, everything has worked according to plan, with minute differences from the previous year's pattern, and, second, that a huge deficit has accumulated because of the extra defence expenditure. Without contesting his detailed (though preliminary) figures, one could get another view of the same results, if one observed them from another angle.

To begin with, it is not only expenditure totals that we are interested in, but also the departmental distribution. This seems to have developed according to the budgeted estimates as far as the ordinary budget goes — which is small wonder in view of the more or less recurring nature of most of the amounts in question. Moreover, eventual additions would be dealt with in any case later in the form of a Supplementary Budget, while sizable cuts in ordinary expenditure would be something of a sensation. We are therefore not at all astonished that even the Defence Ministry's ordinary expenditure developed according to the original plans.

However, subsidies were also considerably below the expected volume during the first half of the budget period (IL8.5m. out of IL36m. allocated), mainly because export subsidies amounted to only IL1.9m. of the IL10m. earmarked for this end, and nothing had yet been spent of the IL6m. earmarked for "seasonal subsidies" to prevent C.-o.-L. index fluctuations (this fund was put into operation with telling effects in subsequent months). Food subsidies were also less than expected, while revenue from special levies and exchange rate differences was more, so as to offset the loss on the American meat import.

Unevenly Distributed

The rate of spending of Development Budget funds was unevenly distributed. Of the mining, electricity and transport allocations 73 to 98 per cent of the year's totals was spent during the first six months and of the housing allocations, 95 per cent (though housing in development areas was far behind schedule). On the other hand, public buildings—i.e. chiefly, schools—received only 17 per cent of the total sum voted, and of the municipal loans less than 30 per cent was paid out during the first half of the year. Loans to industry were also below the mark. Agricultural development received 55 per cent of the earmarked amount, but that was largely due to heavy spending on rural housing and loans for consolidating farmers' short-term indebtedness, while credits for new settlements, irrigation projects and the expansion of farm production went according to or behind schedule. Similarly, there was a big lag in spending for the Jordan diversion project. Altogether slightly more than half the year's budget was spent during the first six months, but because of the uneven way in which the money was used additional allocations may be necessary to prevent slumps, e.g. in housing.

What about the second half of the budget year? There is no question but that the volume of Government spending has now increased in several items, both for ordinary and for development purposes, quite apart from the special expenditure incurred during the shooting war and in the wake of occupation, etc. It is, however, certainly well below the overall sum spent during the previous period. On the other hand, Government revenue must have risen in addition to the new defence taxation imposed after Sinai. In this respect no clue is provided by the Treasury statement relating the half year's actual revenue with the current annual estimate, and showing a percentage similar to that of a year ago, unless we recollect that in 1955/56 total revenue also greatly exceeded the original estimates.

Assuming that the first half year's share remains the same as in 1956/57, we would get income tax receipts of IL206m. (as against an estimate of IL160m.), from customs IL100m. (IL70m.), from excise IL64m. (IL45m.), from purchase tax IL48m. (IL42m.) etc. and the total excess of ordinary revenue would reach IL90-100m. Whether this will actually be the case one cannot yet know, especially in view of the economic dislocations caused by the Sinai campaign, but official spokesmen have also anticipated a balance of about IL70m.

In the Development Budget revenue (counterpart funds, loans, property sales, debt collections) an excess over estimates is also likely to result, though here the forecasts of non-initiates are even more problematic. It would thus seem that — contrary to official intimations — the current financial year could be wound up with a deficit much smaller than commonly anticipated just because neither expenditure nor revenue have run according to schedule. Provided, of course, that we shall not shortly be faced with another spate of additional allocations for past expenditure incurred above estimates, thus forfeiting the eventual revenue balance.

Local Economic Briefs

Anatomy of Unemployment

● Of the 32,900 unemployed registered with the labour exchanges last October, 22,250 were unskilled workers (including 5,700 women) and 3,560 persons of limited working capacity. Of the 7,000 skilled workers there were 2,250 building and 2,020 industrial, 1,550 clerical and 630 transport workers. The rest were professional and service workers. Over 6,000 of the unemployed were aged 50 and over. As against October 1955, the total number of registered unemployed has increased by 8,000 (i.e. a third). Of this, unskilled and handicapped workers accounted for 7,100, while skilled unemployed workers rose by about 900, of whom one half were industrial workers. Persons unemployed 14 and more days numbered 8,560 last October, including less than 2,000 skilled workers, with clerical occupations most affected.

Changed Export Pattern

● In the first three quarters of 1956 Israel exports rose by $9m. as compared with the corresponding period in 1955. However, of the $4.7m. rise in industrial exports $3.5m. was accounted for by diamonds, while motor vehicles, cement (and recently textiles too) showed declining trends. Exports to Turkey dropped from $8m. to $2.5m. and to Finland from $5.8m. to $4.9m., but sales to France doubled and there were big advances in exports to Belgium, Switzerland, Germany, Sweden and Holland, mainly due to bigger citrus sales.

Mivtahim's Expansion

● A special credit fund of IL1m. for the assistance of hard-pressed industrial firms has been established by the Mivtahim Pension Fund at the request of Manufacturers Association, jointly with the trade unions. This fund is to function in addition to the Histadrut's Employment Fund, used for short-term financing, in which Mivtahim participated with about IL1m. this year. Total Mivtahim investments reached IL15m., including IL2.5m. of Defence Bonds, IL1.5m. of P.E.C. debentures and IL1m. Igrot debentures. It has also lent big amounts for housing schemes and other "constructive purposes." So far over 30,000 workers are insured with Mivtahim for pensions, and 20,000 more are negotiating about joining next year. In addition some 50,000 workers are affiliated to Mivtahim through their provident funds. The Fund's rapid expansion has enable it to reduce its commission rate and to increase the maximum pension amount to 70 per cent of the insured's last wage, instead of the previous 65 per cent maximum.

Tenants Prefer Ownership

● The Amidar company reports an unexpected increase in its drive to sell dwellings to tenants during and after the Sinai campaign, apparently because many people who had withdrawn their bank deposits now prefer to use the money for acquiring a house. Though the number of units sold in November was somewhat below average — because the company's staff was reduced by mobilization — the December figure will be double the previous monthly average and a similar rise is expected in the coming months. The average price of a dwelling unit is about IL1,500, of which the purchaser is required to pay up to one third in cash and the rest in instalments during a 12 year period at 7 per cent interest. Most of the purchasers were *ma'bara* dwellers 5-6 years ago.

Cotton Export Planned

● Of the 60,000 dunams of cotton to be planted next year 10,000 dunams are to be earmarked for the Pima-32 cotton variety which is said to be less affected by local pests, in particular by the dreaded spiny bollworm, *The Jerusalem Post* is informed. The remaining area will be again planted with the Akala-4-12 variety, but much more care will be taken and new pesticides employed to prevent damage to the valuable crop. Despite the disappointment caused by the bollworm attack, experts are optimistic about cotton growing in this country and the area is to be expanded rapidly to add 300,000 dunams for export purposes. Should these plans materialise, cotton will become Israel's second biggest export crop, earning some $40m. in foreign currency.

Technion — Israel Institute of Technology
Israel Political Sciences Association, Haifa Branch

announce a SYMPOSIUM on
PUBLIC SUBSIDIES IN ISRAEL

to be held in Haifa on Sunday and Monday, December 30 and 31, 1956. Opening Session on Sunday, Dec. 30, 1956, at 8 a.m., in Room 84 of the Technion. Sessions on Monday, Dec. 31, 1956, at 9 a.m. and 3 p.m., at the Manufacturers' Centre (New Business Centre, Haifa). Closing Session at 8 p.m., in Room 84 of the Technion.

Participants: E. Alexander (Technion); M. Bar & M. Gilboa (Ministry of Commerce & Industry); A.G. Black (F.A.O.); S. Gottlieb, K. Mendelsohn and A. Kisnski (Treasury); H. Hovneh (Ministry of Labour); A.L. Gaathon (Bank of Israel); H. Cats (P.E.C. and Technion); H. Wydra (Shoham).

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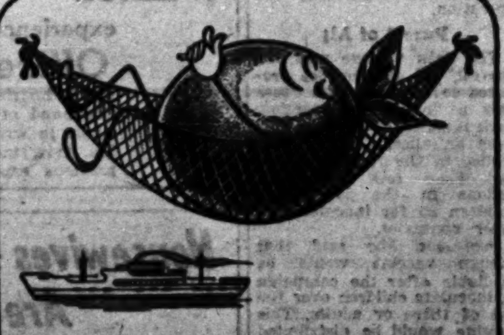

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Farmers' Dilemma

By Our Economic Correspondent

FARMERS are now even more worried than usual. Money is so tight that interest on short-term credits swallows two work days per week in many places. Vegetable prices are down and farmers complain that they scarcely cover costs. Eggs and fowl are low-priced, grain is hard to get and we shall soon have fewer eggs and fewer chickens, because at present prices breeders are being forced to diminish their stock. The vegetable glut will probably be followed by a glut of fruit next year as more young plum, apple, etc. orchards and vineyards begin to bear. Dairy farming, once a good source of income is beginning to cause worry too and more and more calves are being raised for meat.

If we take every branch of agriculture separately the farmers' complaints will appear justified. Agriculture has suffered heavily from the rising cost of living. Everything the farmer buys has become more expensive, production costs have risen with rising wages in the towns and the high interest for black credit adds an additional burden. When the representatives of the *moshavim* came out last year for the abolition of the automatic linking of wages to the cost-of-living index they did so not only because they believed that this linking was a strait-jacket for the whole economy in the long run. They did so mainly because they felt every three months, when the index went up, that the margin between profit and loss in agricultural production neared the vanishing point.

Farmers demand the building of more storerooms for agricultural produce as one means of keeping prices steady. They want to avoid flooding the market when a certain crop reaches its peak yield. By being able to store fruit, vegetables and eggs when they are cheap, and by selling them out of season, when they fetch good prices, they could ease the marketing problem. But Tnuva does not have the funds needed for this enterprise. Building new storerooms is an expensive business, which pays for itself only after many years. The farmers themselves do not have the money. Since neither Tnuva nor the farmers can afford to build new storage space to help regulate the market, this solution is out for the present.

Even if the money could be found it would not solve the farmer's main problem—that he has reached the limits of the market in certain products and at the present price level. It is of course not true that Israel grows as much agricultural produce as its population can consume. The country could use much more if prices were lower, so that more people could afford all they wish to buy. What is more, we have not yet discovered all the agricultural possibilities in Israel. Discouraged people who face a deficit on their farms, complain that they do not know what to grow. They need new outlets for their efforts, because both soil and water are available.

Several years ago we took one step for broadening the scope of farming with the introduction of the industrial crops: cotton, sugar beet and peanuts, and peanuts have turned out to be one of our promising export crops. We have not yet exploited all the possibilities in these new fields. But it should not be impossible to discover additional crops which would diversify work on the farm, divide income more evenly between various branches, and — most important — add new items to our export list.

We are still far from exploiting all the possibilities of our climate. We grow strawberries now for four or five months and in a season when they can be obtained in Europe only from hot houses or from the deep freezing plants. Although it is true that strawberries are highly perishable and their export would necessitate intricate arrangements for packing and quick shipping, we should be able to surmount the obstacles. A host of other possibilities have not even been explored, especially semi-tropical fruit, which has been introduced here during the last decade and gives big yields. What Sam Hamburger did for cotton growing, another enterprising farmer could do for other branches.

Exploring new opportunities for farming is one of the ways in which new possibilities and earning facilities could be opened. A more rational price structure could be built up if we followed the natural capacities of soil and climate more closely. Until now we have followed the inclinations of the farmers and the public's taste for certain foodstuffs, rather than the natural conditions of the country. We decided on carp breeding as one of our agricultural branches because immigrants from Eastern Europe were used to eating carp. But this requires much water and takes up soil which could be used for other purposes. Breeding carp as we do is costly. We eat more chicken than any European country although we have to import two thirds of the grain needed, because chicken breeding is easy and the public likes chicken.

Instead of starting from the food habits of a certain part of the population — as with carp — or with easy working conditions, as with chicken — we should adapt ourselves to our natural conditions. Our sparse pasture points more to mutton than to beef and fowl as our main meat supply, but we raise sheep mainly for milk and cheese and not for meat. And we plant apples, which, when good are excessively expensive, while we neglect the fig trees which are characteristic of the flora of this part of the world.

No Overproduction

Despite temporary gluts, our agriculture is still very far from overproduction. Much more could be absorbed by the internal market if prices could be adjusted, and much more could be exported if the necessary quantities could be provided and the appropriate organization set up. The present difficulties in farming stem from a number of causes. There is the credit problem, which has been allowed to take on alarming proportions since long-range investments have been made with short-term loans and at exorbitant interest rates. Efficient organization of marketing has been demanded again and again but never carried to its logical conclusion, leaving the farmer with a fraction of the income he hopes for. There is a lack of balance between various branches, some having been developed according to peculiar tastes and demands. The dilemma of agriculture is not overproduction, but a lack of balance between the various branches, the inability of the farmer to keep up with rising costs, and the lack of initiative in developing new crops.

Stocks and Commodities

Linked Bonds Better in Tel Aviv

A SLIGHTLY better tone was felt on the market during the past week, while the demand for Defence Bonds continued. The price of the bonds, with the exception of the premium bonds, is now 100½, while the premium bonds are still being sold at 100. It may be recalled that the conditions of the premium bonds are much better than those previously issued. The capital is linked to the $, while the 400 premiums amounting to IL450,000 yearly constitute 5 per cent interest instead of the 3 per cent customary until now.

The 4½ per cent bonds appear to be the investor's favourite. It may be recalled that the capital and interest are linked to the $ or the C.-o.-L. Index (on the basis of the October figure of 259 points) at the holder's option which, however, must be exercised before March 1, 1957. Those acquiring the $-linked now have the right to exchange them into C.-o.-L.-linked before March 1, but not vice versa. The 6½ per cent are being taken up mainly by institutional investors, who are free from income tax.

Also in industrials there was a slightly firmer tone with some encouraging dividend reports helping to maintain the present level, and even improving it. It is felt, however, that unless some decisive steps are taken both by the Government and the companies concerned, this section of the market could hardly be substantially revived. There is no doubt that a 25 per cent income tax ceiling on the one hand, and full voting powers to be given to the ordinary shares on the other, would improve the situation.

Since good reports have been pouring in from the Heletz area, the demand for I.O.P. increased and prices were quoted at around 13½, almost IL1 higher than last week.

In New York Israel-American Oil was quoted at $2⅝ and Pan Israel at $⅝.

Wall Street Up After Sluggish Week

AFTER a sluggish week all divisions of the market moved up on Friday, before the four-day Christmas recess. Steels, base metals and oils were among the most sought shares, but there were also gains in chemicals, rails, etc. Buying of steels reflected expectations of a general steel price increase in the next few weeks, due to higher freight and scrap costs.

Lukens Steels, Bethlehem and U.S. Steel all made advances, in some instances of more than 6 points. Dow Jones average for 30 Industrials was 494.38 after 490.44 on Thursday, as against 492.08 last week.

London Firm with Substantial Gains

A FURTHER advance on the London market was registered, with a fairly substantial list of gains embracing Gilt-Edged, Industrials, Motors and Stores. Reports of disturbances in Johannesburg, however, brought a set-back to gold shares and coppers.

The recovery of the £ is also continuing, with the blocked £ gaining ground and the premium on $ stock falling further, under 7 per cent as against 13 per cent during the Suez crisis. In the international money markets it appears to be felt that the swift and efficient move of the Chancellor of the Exchequer with the I.M.F. loan secured, has helped the £ to recover from its November Suez setbacks.

In Washington it was announced that the Export-Import Bank has authorized a $500m. loan for Britain's oil purchases, repayable within three years at 4½ per cent interest.

Reuter's Daily Index for Gilt-Edged was 74.4 as against 74, for Industrials 195.8 after 193.5 on Thursday, as against 194.2 last week.

Good Tone in Paris While Gold Easy

A good tone of French issues was maintained with oils, bankings and electrical engineerings in good demand.

On the Paris gold market prices continued to ease on reports of further Soviet gold sales and an absence of hoarders' interest. One kilobar of gold was Ffrs.482,000.- and the Sovereign was Ffrs.4,300.-. The unofficial rate for the U.S. $ was up to Ffrs.400.-.

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CHILE FACING DEVALUATION

AN impending devaluation of the Chilean peso is mooted, in order to boost the country's exports, which are meeting with increasing difficulties as internal prices catch up with the official rate of exchange. Government circles maintain that no such move is intended, because higher prices of imported goods would impose increased pressure on the domestic price level as long as deficit financing continues.

New View of National Income

WHILE in 1954 income derived from ownership (including that of individual farmers, kibbutzim and professional occupations) increased more than salaries and wages, the trend was reversed in 1955, according to estimates prepared at the Central Bureau of Statistics and based on the system introduced by Mr. D. Creamer. Wage income was 58.4 per cent of the national net product in 1955, ranging from over 90 per cent in the public sector to under 22 per cent in agriculture.

Of the total wage volume, 30 per cent was paid by the Government and other public institutions, 24 per cent by industry and mining, 11.5 per cent by transport services, 10 per cent by other services and 9 per cent by the building industry. On the other hand, of the ownership income, agriculture provided 25 per cent, commerce almost 22 per cent, industry and mining 18 per cent, services 12, banking and property 10 per cent.

Taking the national product (value added) as a whole, industry and the public sector were jointly responsible for about 40 per cent, with agriculture, services and commerce sharing about equally in another 35 per cent. Only 2.5 per cent of the national product was the net balance paid to foreign firms or residents (interest, wages royalties, etc.) over what Israel received from abroad.

Tel Aviv Stock Market

DECEMBER 24, 1956

Pop. Loan 1949/69 (IL20)	[illegible]
4 % Comp. Loan 56/61	[illegible]
3½% War Loan 54/59	[illegible]
3½% Gov. Bds. (large)	[illegible]
Pal. Bearer Bds. Ser. 3	90
3½% Tavel Dollar x) y)	[illegible]
4 % Reg. Sterling "A"	870
Pal. Elec. pref. sh. (Ldn.	[illegible]
6½% Bonds 57/64 f)	108
ditto g)	[illegible]
Keren Hayesod 6½ % Deb. 58/65 f)	[illegible]
ditto g)	[illegible]
Igroth Ltd. 6½ % Deb. 58/65 f)	[illegible]
Sh. Leumi ord. sh.	149
Bearer Savings Cert.	[illegible]
A.P.B. Investment	74
ord. sh. "B" reg.	[illegible]
Gazit ord. sh. "B" reg.	[illegible]
Ellern's Inv. ord.	144
P.E.C. Inv. ord. "B" reg	[illegible]
Gen. Mort'g. Bk. ord. sh.	78
Binyan 6% debs. 56/65	79
Nir 5% pref. sh.	[illegible]
Pam 4% debs. 40/64 reg.	[illegible]
"Isva" 8% debs.	91
Afr. Pal Inv. ord. sh.	[illegible]
I.L.D.C. ord. sh. reg.	[illegible]
5% debs.	[illegible]
Hassneh 6% pref. ord. sh.	[illegible]
Ata ord. "B" sh.	90
6-8% con. debs.	81
"Kurdaneh" ord. "B"	[illegible]
7% con. debs. 59/65	75
Meller-Dee ord. sh. reg.	780
Pal.-Brewery 8% con. debs.	[illegible]
Assis Bejerano "B" sh.	[illegible]
Neshes 6% debs. "A"	[illegible]
Pal. Potash "A" ord. Sh.	775
"Teva" ord. Sh.	90
Pal. Cold St. ord. sh. reg.	166
Delek Ord. sh. "C"	85
Pal. Centr. 8% debs.	94
Mekorot pref. sh.	76
Jordan Exploration Co. Ord. Sh reg.	180

Notes: a) purchasing price: b) selling price: c) ex-coupons: d) ex-dividend: e) ex-right: f) linked with $: g) linked with C.o.L.: x) in % of IL1.800: y) in Prutot.

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